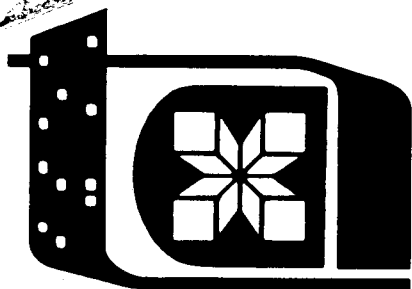


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**TECHNONET
ASIA**

REPORT
of the
EDP TRAINERS' MINI-WORKSHOP
held
1 - 6 June 1978
in
Manila
Philippines

National Development Research Centre

**ARCHIV
66246**

Tanglin P O Box 160 Singapore 10
Republic of Singapore



With the Compliments of

TECHNONET ASIA

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

TANGLIN P. O. BOX 160

SINGAPORE 10

REPUBLIC OF SINGAPORE

26 June 1978

To: JEWoolston/GHClement

Enclosed is a copy of the
recently concluded EDP
Trainers' Mini-Workshop
Report.

2 copies have been forwarded
to JAmyot/YMYeung of SSHR
ASRO - with the request that
they forward one to SSHR Ott.

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		<u>Page</u>
	<u>SUMMARY OF MAJOR RECOMMENDATIONS</u>	1
	<u>REPORT ON PROCEEDINGS</u>	
SESSION	I Opening Ceremony	2
	II Presentation of Country Papers - Bangladesh - Indonesia - Korea	3
	III Presentation of Country Papers - Malaysia - Sri Lanka - Thailand	5
	IV Presentation of Country Papers - Philippines	7
	V Identification of EDP Needs of POs	8
	and Formulation of Plan of Action	
	VI Organization of Task Groups & Initial Discussion	
	VII Observation Visit to Two Entrepreneurial Activities	9
	Field Trip Around Metro Manila Area (3 June 1978).	10
	VIII Initial Reports of Task Groups	10
	IX Discussion of Reports of Task Groups	12
	X Final Discussion of Task Groups	12
	XI Finalization of Project Plan: Task Groups' Reports to be Discussed and a Plan of Action Developed	14
	XII Integration	14
	Summary of Recommendations	
	Closing Remarks	16

APPENDICES

	I Opening Remarks by UP ISSI Director on 1 June 1978	
	II Address by EDF Representative on 1 June 1978	
	III Directory of Participants	
	IV Agenda	
V - XII	Country Papers Presented (8)	

SUMMARY of MAJOR RECOMMENDATIONS
at
EDP Trainers' Mini-Workshop
Manila, 1-6 June 1978

[EDP = ENTREPRENEURS DEVELOPMENT
PROGRAM]

= SEE ALSO PAGE 14

("INITIAL REACTION FROM
DR. CHICO WAS POSITIVE")

1. The conduct of Achievement Motivation Trainers' Training Courses !
for those trainers who will handle the AMT portion of EDP Courses.
This will be a highly specialized course for trainers who are
capable of facilitating Achievement Motivation for prospective
entrepreneurs.
2. The conduct of EDP Trainers' Training Courses for those administrators
and trainers who will have a hand in the conduct of the total program.
This will have a portion to appreciate Achievement Motivation, though
it will not emphasize on that alone, but will be a general view of
the total program as it should be administered.
3. The writing and publishing of an EDP Trainers' Manual (as discussed
in Session VIII).
4. The writing and publishing of an Entrepreneurs' Handbook (as
discussed in Session X).
5. The conduct of a continuing workshop on entrepreneurship development
as begun in this workshop and to monitor or implement the first four
recommendations.

.....000000000000.....

REPORT ON PROCEEDINGS

Thursday, 1 June 1978

SESSION I
Opening Ceremony

The Workshop was officially declared open by Dr Leon V Chico, Administrator of TECHNONET ASIA.

In his remarks (*Appendix I*), the UP ISSI Director, Mr Paterno Vilorio, welcomed the participants, on behalf of the University of the Philippines President and the UP ISSI staff, and wished them a pleasant and fruitful stay in the Philippines. He stressed that the ultimate objective of the Workshop is that of stimulating a scarce resource in developing countries - the entrepreneur. He emphasized that three groups would benefit from the results of this Workshop - the *trainers*, whose teaching capabilities would be enhanced by the proposed handbook of training materials which the group could put together, the *policy and decision makers*, whose assistance are vitally needed for the accelerated growth and development of small and medium industries and, finally, the *entrepreneurs* themselves who, in the final analysis, would be the beneficiaries of workshops such as this.

Mr Jose Maria Ganuza represented Mr Cesar N Sarino, EDF President, who was only expected back in Manila that evening. Mr Ganuza read out the thoughts which Mr Sarino had written for the occasion (*Appendix II*). The most important aspect of entrepreneurship, according to Mr Sarino, must stress on the development of *people*. He pointed out that group-owned or -managed enterprises should be encouraged. Not negating the parallel need to develop individual enterprises, Mr Sarino challenged the group to mobilize more units for total community development by inculcating into the system the benefits of mass action and cooperation.

Dr Chico's remarks included the present thrust of TECHNONET ASIA in developing activities which would fill the "gaps" not fulfilled by other agencies or groups working on entrepreneurship development. According to him, the participants could propose projects which TECHNONET ASIA could embark upon, if deemed feasible after identifying possible areas of cooperation.

The participants and observers were called upon to introduce themselves (*Appendix III*) and briefly enlighten the group on their job responsibilities. Dr Chico encouraged the full and open participation not only of the participants, but the observers as well.

Unanimously elected as Co-Chairmen were Mr Rudolfo Sumicad (representing Mr Vilorio) and Mr Sarino.

The Provisional Agenda was approved as presented (*Appendix IV*).

Dr Chico then led the discussion on the orientation on the Workshop objectives and organization. Expectations from the group were listed as follows:

1. participants could find meaningful areas that TECHNONET ASIA could pursue accenting on cooperation among POs towards entrepreneurship development. Also, there may be gaps in the present efforts extended by other agencies in the development of entrepreneurs and these gaps could be identified by the participants and, eventually, effectively bridged;
2. beneficiaries of the Workshop, as earlier mentioned, should be trainers, policy-makers and entrepreneurs;
3. a handbook containing experiences on entrepreneurship could possibly be an output of the Workshop;
4. needs of POs which would be elicited should also be discussed in task groups so as to formulate programs to answer these needs; and
5. an Action Plan could be evolved by the group for TECHNONET ASIA to implement.

Mr Sumicad rounded off this session by remarking on the timely holding of this Workshop as it would, for one, enhance the availability of EDP material badly needed for EDP classes he was presently conducting.

SESSIONS II, III, & IV Presentation and Discussion of Country Papers

Bangladesh (Appendix V) Mr Abdul Momin Chowdhury

A sense of urgency was noted in Mr Chowdhury's paper as he discussed the need for entrepreneurs in his country to help ease many of the problems facing Bangladesh today. A program of self-employment must be put up to create additional job opportunities for 2.3 million people so as to absorb new entrants into the labour market which annually comes up to about 1 800 000.

As of today, the country still does not have an entrepreneurship development program, although it plans to evolve one as soon as possible. A detailed outline of the proposed plan was part of the country paper discussed by Mr Chowdhury.

In reply to Mr Erwin Ramiscal's question as to who composed the educated unemployed youth in Bangladesh, Mr Chowdhury replied that these were high school to college graduates who could not find any jobs after graduation.

It was noted that selected potential entrepreneurs (who presumably do not have any starting capital) could obtain varying amounts of credit under the sponsorship of the Bangladesh Bank (the country's central bank) *without* any collateral. Hence, the selection process of potential entrepreneurs is meticulously screened.

Regarding the selection of trainees for the EDP, Mr Md Tajudin b Md Alias asked if Bangladesh had devised an effective system. Mr Chowdhury explained that they had initially contacted the Dacca University to devise a psychological testing scheme for the selection process. However, this is not yet ready for implementation. Mr Chowdhury has devised a questionnaire which he intends to use in interviewing the applicants to the training program. Mr Wan Hassan Mohammed commented that this may not be a very good system since it is not comprehensive enough. Mr Chowdhury admitted this but said that he had no other means available. Since no such training had yet begun in Bangladesh, Mr Sumicad ended the discussion on the positive note that possibly, at the end of the Workshop, Bangladesh could pick up some valuable ideas which could be used in implementing an effective development program for its entrepreneurs.

Indonesia (Appendix VI)

Drs Fachar Bermawi/Mr Nadirsjah R Ara

Since 1971 Indonesia has been conducting entrepreneurship development activities in the form of two programs: the Achievement Motivation Training (AMT) Course and the Package Course on Industrial Management and Consultation for Small-Scale Industries which is a practical management training course.

The emphasis in Indonesia has been on training actual practising businessmen in order to make those qualified to take up the courses become better businessmen-entrepreneurs. Support services are available for the entrepreneur in the form of consultancy and finance through the Small Investment Credit Scheme or the Permanent Working Capital Credit Scheme.

Mr Chowdhury questioned the idea of Indonesia lowering the standard of selection of applicants to entrepreneurship development courses. He asked whether the State would lose in the long run since the lowering of standards may account for more business failures. Mr Ara answered that though the State may seem to lose in this proposition, it considered that 10% success was adequate compensation. Drs Bermawi added that the lowering of standards did not necessarily mean risking more by allowing more chances of failure to occur. It meant not following Western standards in selecting trainees for the program. A further clarification was made by Mr Ara that since the trainees are existing entrepreneurs and not potential ones, the element of risk is considerably lowered. These existing entrepreneurs are simply expected to become better and more effective after undergoing the training program.

Korea (Appendix VII)

Mr Lee Kwang-Jin

Due to the fact that the development of large-scale heavy industries has been the thrust of the Korean government's activities for the past years, there is need to be concerned with the healthy growth of small and medium scale industries in the country. As it is, an EDP has not been developed for the purpose of creating small scale entrepreneurs in Korea. The Office of Industrial Development, in cooperation with KORSTIC and KIST, will play a key role in promoting programs for the small scale industries which need dire assistance. In addition, the National Federation of Medium Industry Cooperatives may be a vital linkage agency.

Mr Chowdhury requested that clarification be given on why small and medium industries are generally sub-contractors of large industries in Korea. Mr Lee said that this is so because large industries have, up to now, been given much attention by the government and that small and medium industries have not been developed through the years. The most rapid way, therefore, to develop small and medium industries is to make them subcontractors of specific parts for large industries that are already in operation.

Malaysia (*Appendix VIII*)

Mr Mohd Tajudin bin Mohd Alias

In presenting his country paper, Mr Md Tajudin pointed out the need for local (Bumiputra) entrepreneurs in Malaysia to be given utmost support to start their own businesses in order to avoid further racial conflicts which may arise if the local entrepreneurs are not given proper encouragement and helped on their feet as soon as possible. Five agencies cooperate to find targets for entrepreneurship training and create entrepreneurs:

1. The Council of Trust for Indigenous People (MARA)
2. Ministry of Youth, Culture & Sports (KKBS)
3. Smallholders Rubber Advisory Services Authority (RISDA)
4. Ministry of Defence (MD)
5. National Productivity Centre (NPC).

Efforts to coordinate the activities of these organizations are done by the National Joint Committee of EDP which operates at the state level. Training programs are geared for 17 500 Bumiputras for 5 years (1976-80). A Support System has also been evolved to closely follow up the development and success of the entrepreneurs. As far as Malaysia is concerned, the importance of entrepreneurship development has been well recognized and will be pursued for a more equitable distribution of income and national development.

Mr Chowdhury asked for clarification as to how the five agencies involved in entrepreneurship training coordinated their activities. Mr Md Tajudin explained that there is a National Coordinating Committee, as well as Regional Coordinating Committees, to do the specific coordination work. Also, Mr Md Ali added that since each agency has its own target groups, the entrepreneurs concerned are supported from the start up to the finish by these agencies.

Regarding the selection of entrepreneurs to be trained, Mr Zulkifli bin Zabidin reminded the group that developing countries should be wary of using Western psychological methods which may not be suitable to the mentality, cultures and attitudes of people in developing countries.

A discussion on the Youth Development Program (*Appendix IX*) of the Ministry of Culture, Youth & Sports ensued. Mr Md Ali described the program, with special emphasis on the 100% grant given by the government to youths who have a viable project to start. This grant is given in small amounts at a time and, since no collateral or guarantees are required, close supervision and guidance are provided to see to it that the entrepreneurs do not go astray. Mr Santi Grachangnetara noted that such 100% grants may, in the long run, produce negative results due to the fact that the entrepreneurs receiving the grants may not develop the ability to manage their own resources. Mr Md Ali explained that this strategy is necessary to give the youths something to start with, and to prevent the influx of rural youth into the urbanized areas of the country. Also, they have to be equipped with so many things, including capital in order to keep them going as entrepreneurs.

The discussion ended with the recognition that, indeed, entrepreneurs have to learn that money costs money and that they have to be responsible for the grant that they receive from the Ministry.

Sri Lanka (Appendix X)
Mr AMA Abeysinghe

Mr Abeysinghe emphasized that Sri Lanka does not have an EDP in a formal or orderly manner yet. Nevertheless, the promotion of indigenous entrepreneurship, craftsmanship and skills are being aimed at in Sri Lanka. Three institutions are trying to meet the needs for the development of entrepreneurship, namely, the National Institute of Management (NIM), the Academy of Administration Studies and the IDB. Since the government gives special emphasis in developing the rural unemployed population, special incentives are worked out such as industry loans, training, industrial housing at the Mini Industrial Estates and other extension services required during the growth period of industrial ventures. A formal EDP is being developed and will be ready by about mid-June 1978.

As Sri Lanka does not yet have a formal EDP, Mr Md Tajudin asked if putting the EDP curriculum in schools would be considered. Mr Abeysinghe answered negatively to this. Mr Grachangnetara asked whether Sri Lanka's thrust in entrepreneurship development could be towards upgrading agricultural entrepreneurs and it was noted by Mr Abeysinghe that this could be a possibility. Although the Ministry of Agriculture takes care of specific agricultural problems, a link between agriculture and EDP could enhance the country's total development positively.

Thailand (Appendix XI)
Ms Prani Obhasanond/Mr Vim Roonggrout

As in most developing countries, the unemployment problem in Thailand is seen as most pressing. An answer to it is the development of small-scale industry entrepreneurs. In Thailand, most courses are especially prepared for existing entrepreneurs. However, these courses do not include AMT specifically for the entrepreneur. Upon their return, the Thai participants plan to impress upon their government the need for a comprehensive, integrated EDP for the country.

Mr Chowdhury asked whether Thailand's entrepreneurs were generally in big industries or in agri-business. Mr Roonggrout replied that agri-business was more common, there being more industries like food canning, extraction of rice bran oil, etc. Mr Md Ali noted that indeed Thailand is advanced in the processing of food and agricultural products but he asked whether Thailand was maximizing the results of the research and development going on along these lines.

Ms Obhasanond stated that due to the fact that indigenous entrepreneurship development per se has not yet been embarked upon by the government, the majority of the local investments are headed by foreign investors. There is, therefore, a dire need for local entrepreneurs to actively participate in investment and industrial activities in order to boost Thailand's economy further up the line.

Mr Grachangnetara drew the group's attention to the presence of many "loan sharks" in Thailand from whom local entrepreneurs usually obtain liquid cash for capitalization and other financial needs. Mr Chowdhury observed that this is not unique to Thailand but is common everywhere.

Mr Grachangnetara then led the group to think of the two kinds of existing entrepreneurs - the one who has entrepreneurship "in his blood" and be an entrepreneur, no matter what, and the other whose entrepreneurship needs to be deliberately developed and for whom motivation is extremely important. He asked the group to determine which kind of entrepreneur it wanted to help at this point in time.

Philippines (Appendix XII)

Mr Rudolfo O Sumicad/Ms Serenidad F Lavador

The Philippine experience in entrepreneurship development started in 1972 when UP ISSI launched its EDP, a course which was aimed at identifying, selecting and training potential as well as existing entrepreneurs in the rural areas. Other agencies that co-sponsored the program were the National Manpower & Youth Council (NMYC) and the Development Bank of the Philippines (DBP). At present, the Commission on Small & Medium Industries (CSMI) takes charge of coordinating all the activities geared for small and medium industry development in the Philippines, and this includes entrepreneurship development.

The Philippine experience was discussed in terms of what was done in the EDP, the selection process used and partial results or impacts of the courses which were conducted in 1973. The most pressing realization made by UP ISSI was that the courses should have a more extensive AMT Module instead of being too much concerned with managerial skills development.

The programs envisioned by the CSMI include the following: more EDP courses with more emphasis on AMT, the implementation of the curriculum enrichment by the Entrepreneurship Development in General Education (EDGE) program and the further strengthening of supportive programs for entrepreneurs throughout the country. As a whole, the Philippine delegates could foresee a more responsive government and inter-agency approach towards entrepreneurship development in the country in the forthcoming years.

Questions on the Philippine experience were generally geared towards how the Philippines implements its EDP and were therefore pragmatic in nature. Mr Wan Hassan asked about problems encountered. Ms Lavador pointed out that lack of interest among the people in the rural areas was the major one. When asked whether there was a problem in sending trainers out to rural areas, Ms Lavador answered negatively for UP ISSI's and other agencies' staff members were often eager to go to the rural areas and assist in conducting the courses. Mr Lee asked about the problem of marketing to which Ms Lavador replied that Trade Assistance Centers (TACs) of the Department of Trade assist the entrepreneurs in their marketing of local produce.

It was explained that the portion of management skills training in the entrepreneurship development course was done after office hours from 1800-2130 hours in order to enable participants to take care of their businesses during the day.

Ms Lavador ended the discussion by stating that there is a need to strengthen its AMT portion rather than its management skills development portion. Emphasis should be placed on AMT so as not to overshadow it with the attempt to make "management specialists" out of the entrepreneurs attending the course.

Friday, 2 June 1978

SESSIONS V & VI

Identification of EDP Needs of POs

Formulation of Plan of Action

Organization of Task Groups & Initial Discussion

Mr Sumicad, Co-Chairman for the day, requested each country to articulate on their particular specific needs so that the Workshop could address itself to the solution of these problems in a realistic manner.

Bangladesh enumerated four basic needs: namely, an effective selection process to determine who should be given the training on entrepreneurship; training methodology; implementation of the EDP; and monitoring or feedback on the progress of each entrepreneur.

Indonesia wished to evaluate its past courses through the feedback process; to embark upon more effective after-care service and rescue programs for floundering enterprises; to train more "certificated" AM trainers; and to regionalize its EDP.

Korea wanted to gather techno-economic information to disseminate to its small industry entrepreneurs.

Malaysia's needs are similar to those of Indonesia: to select new entrepreneurs through an effective process before the start of any entrepreneurship development course; to assist existing entrepreneurs by way of proper training; to supervise the existing entrepreneurs more closely and to have more training materials and literature on EDP.

Sri Lanka's needs were similar to those of Bangladesh. In addition, there was a request from Mr Abeysinghe to furnish him with data on the facilities required to support the program.

Thailand still has to contend with getting government approval to support an EDP. Its other needs are: AMT for entrepreneurs; selection methods; training program proper; implementation and evaluation.

The Philippines requires more literature and training materials on EDP, more training on techniques of identifying business opportunities and strengthening of links with other agencies involved in entrepreneurship development in the archipelago.

The following table lists the EDP needs of the POs. In summary, it was discovered that PO needs clustered around the areas of the need for an effective selection process when conducting EDPs, and the need for a manual which can be a handy omnibus for different agencies and officers in charge of entrepreneurship development particularly in the rural areas. Three countries expressed the need for integrated action of various government agencies to fully implement their EDPs and another three were concerned with a continuing program for training more trainers especially in Achievement Motivation. Finally, it was unanimously agreed that a comparative study or documentation of EDPs in TECHNOnet's POs could be very helpful in the much-needed exchange of experiences among developing nations on EDP.

EDP Needs of POs

<u>NEEDS</u>	<u>PARTICIPATING COUNTRIES</u>						
	<u>Bdesh</u>	<u>Indo</u>	<u>Korea</u>	<u>Msia</u>	<u>SriL</u>	<u>Thai</u>	<u>Phils</u>
Selection Process	x	x	-	x	x	x	-
Manual/Facilities (Techno-Economic Info)	-	-	x	x	x	x	x
Integrated Action Plan (government)	-	x	-	-	-	x	x
After-care and Support	-	x	-	-	-	-	x
Continuing Program for Trainers, Additional AM Trainers, Upgrading Trainees	-	x	-	x	-	-	x
Rural Areas/EDP	-	x	-	-	-	-	-
Comparative Study of EDPs	x	x	x	x	x	x	x
Identifying Opportunities	-	-	-	-	-	-	x

With their EDP needs thus identified, Mr Sumicad systematically divided the Workshop into two Task Groups - A and B - which proceeded separately for further deliberations.

SESSION VII

Observation Visit to Two Entrepreneurial Activities

Visits were made to two government agencies involved in entrepreneurship development in the afternoon.

At the Design Center of the Philippines (DCP) a slide presentation on the UP ISSI and its entrepreneurial activities was shown to the group. A briefing on the DCP itself, was conducted by its staff members Ms Vicky Paraso and Ms Barts Sison. Three slide presentations preceded the tour of the compound. The workshop and production area in which most activities were centred proved to be very interesting to the participants.

This was followed by a visit to the Flea Market operated by the National Cottage Industries Development Authority (NACIDA). A briefing on NACIDA's activities was given by Mrs Quirino. NACIDA is the government agency primarily responsible for the promotion and development of cottage industries, to which incentives are given upon registration. An enterprise may be classified as a cottage industry if its total assets do not exceed Pesos 100 000 (US\$13 500).

Saturday, 3 June 1978

Field Trip Around Metro Manila Area

The group was introduced to an entrepreneur - Mr Rafael Lapuos - owner-manager of a furniture manufacturing firm in Quezon City. Mr Lapuos gave a brief account of how the firm started and grew from scratch, so to speak. Questioned by the participants regarding specific areas, Mr Lapuos gave an impressive insight into an entrepreneur's world as seen from the eyes of entrepreneurship development trainers. A tour of the factory was held after the briefing.

In the afternoon, participants visited the University of the Philippines campus and UP ISSI. They also visited the display centre of Philippine-made shoes manufactured by small industries in the town of Marikina, Rizal.

Monday, 5 June 1978

SESSION VIII

Initial Reports of Task Groups

Group A

Drs Bermawi introduced the report of Group A by announcing that the group's consensus was for a common manual to be prepared in two parts - Part I for trainers and Part II for entrepreneurs.

The contents of Part I was discussed by Mr Chowdhury and the outline follows:

1. Title: EDP Trainers' Manual
2. Objective
3. Development
 - 3.1 Rationale: Identifying the needs of EDP
 - 3.2 Design of the Program
 - 3.2.1 Curriculum and Training Materials
 - 3.2.2 Evaluation Methods in Regards to Methodology, Organization and Staffing
 - 3.2.3 Logistics
4. Training Implementation
 - 4.1 Selection Procedures
 - 4.2 Training Process
 - 4.3 On-going Evaluation of Curriculum, Trainers (Program), Trainers' Performance, Methodology, Administration

5. Post-Training Services

5.1 Project Implementation

5.1.1 Conceptualization

5.1.2 Organization

5.1.3 Operation and Continuous Services

5.2 Feedback Mechanism

5.2.1 Monitoring

5.2.2 Documentation

Group B

Mr Zulkifli declared that this group was able to discuss two points, namely, the selection process and the proposed manual on entrepreneurship development.

Regarding the first point mentioned, Mr Zulkifli reported that in view of the present lack of data available on the selection process, his group decided that it could not come up with a detailed selection process for the use of POs. Instead, his group resolved that the POs present would be requested to share materials and experiences among each other and pass on the different tools and techniques which they have found useful for the benefit of other countries concerned.

On the second point (the proposed manual on entrepreneurship development), the following outline was developed:

1. Objectives of the Manual
2. Selection Process
3. Identification of Training Needs
4. Curriculum Design
5. Delivery/Teaching Techniques and Training Materials
6. Evaluation of Program
 - 6.1 Performance of Candidates
 - 6.2 Program
 - 6.3 Problems
 - 6.4 Feedback

SESSION IX

Discussion of Reports

Guided by Mr Sumicad, the group agreed that two Manuals would have to be prepared:

1. EDP. Manual for Trainers
2. Handbook for Entrepreneurs

A discussion on the first manual led the group to realize that a combination of the two outlines already reported would be quite complete for the preparation of a common manual.

Mr Zulkifli pointed out that general statements should be included in the manual regarding government policy statements, inter-agency linkages and other basic information that have to be in the trainer's hands before he embarks upon a program for prospective entrepreneurs. Mr Md Ali suggested that these statements could be summarized in a brief but concise Introduction portion which ought to be operational in the different countries where the manual will be used. The Introduction should be as general as possible but flexible enough to be applicable in the situations of the countries represented.

Thus, it was agreed upon that the contents of the manual being approved, the actual lining up of contents could be done by a smaller sub-committee in which both groups would be represented.

Mr Sumicad then requested Groups A and B to convene again separately for group discussions on the possible contents of the Handbook for Entrepreneurs.

SESSION X

Final Discussion of Task Groups

Groups A and B reported on their deliberations regarding the contents of the proposed Handbook for Entrepreneurs and these are as follows:

Group A

1. Introduction
2. Project Identification
 - 2.1 Techniques for Identification
 - 2.1.1 Environmental Analysis
 - 2.1.2 Resource Analysis
 - 2.1.2.1 Self Analysis
 - 2.1.2.2 Others
 - 2.1.3 Pre-Feasibility Study
3. Project Implementation
 - 3.1 Conceptualization
 - 3.1.1 Project Study

- 3.1.2 Project Preparation and Evaluation
- 3.1.3 Project Proposal
- 3.2 Organization
- 3.3 Operation
- 4. Support Services
 - 4.1 Identifying Agencies for Various Assistance Needed
- 5. Expansion/Diversification - Repeat the Whole Cycle

Group B

- 1. Identification of Prospects and Opportunities
- 2. Forms and Sources of Assistance Available Including List of Assisting Agencies
- 3. Planning and Organizing the Business
 - 3.1 Sources of Finance
 - 3.2 Formation of the Business, Registration, etc.
 - 3.3 Organizing the Business Resources
 - 3.3.1 Selection of Physical Resources (Assets)
 - 3.3.2 Origin of the Physical Resources
 - 3.3.3 Manpower Development
- 4. Managing the Business
 - 4.1 Financial Management
 - 4.2 Production Management
 - 4.3 Marketing Management
 - 4.4 Personnel Management - Training, Incentives, Control
- 5. Legal Aspects

The group reached a consensus that the proposed handbook would be a useful instrument or tool in the hands of a proposed or existing entrepreneur for his business ventures. The "How To's" in the manual would be written in fairly simple and readable language and contain basic guidelines for putting up a small enterprise. This would also be part of the entrepreneurship development trainer's materials for his use when guiding entrepreneurs in training courses designed for them. It was agreed upon that after the Workshop, if the proposed entrepreneurs' manual is sponsored by TECHNOnet ASIA, a smaller committee could combine the two outlines and produce one concise manuscript.

Tuesday, 6 June 1978

SESSION XI

Finalization of Project Plan:

Task Groups' Reports to be Discussed and
a Plan of Action Developed

After due deliberation and careful study, the participants agreed that the following would be submitted to TECHNONET ASIA as the Plan of Action regarding its possible involvement in entrepreneurship development:

1. The conduct of Achievement Motivation Trainers' Training Courses for those trainers who will handle the AMT portion of EDP courses. This will be a highly specialized course for trainers who are capable of facilitating Achievement Motivation for prospective entrepreneurs.
2. The conduct of EDP Trainers' Training Courses for those administrators and trainers who will have a hand in the conduct of the total program. This will have a portion to appreciate Achievement Motivation, though it will not emphasize on that alone, but will be a general view of the total program as it should be administered.
3. The writing and publishing of an EDP Trainers' Manual as discussed in Session VIII.
4. The writing and publishing of an Entrepreneurs' Handbook as discussed in Session X.
5. The conduct of a continuing workshop on entrepreneurship development as begun in this workshop and to monitor or implement the first four recommendations.

With regard to the fifth recommendation, Mr Md Tajudin moved the motion, seconded by Indonesia, for a 'forum', similar to the existing ASINDEX Forum, to be formed. It was agreed that this recommendation with its suggested mechanics of operation, together with the other four, would be presented to Dr Chico for appropriate action.

SESSION XII

Integration

Summary of Recommendations

Closing Remarks

Mr Sumicad presented the summary of the five major recommendations that the group had formulated. Initial reaction from Dr Chico was positive. He mentioned that several possibilities regarding actions on the recommendations were in view. *

As to the first two recommendations, Dr Chico stated that the holding of the two types of training courses could be facilitated if training funds could be made available easily. TECHNONET has funds reserved for training courses for industrial extension and information officers. However, it may be possible to reallocate some funds for EDP Trainers' Training Courses and Achievement Motivation Trainers' Training Courses. Also, there was the possibility of assistance being sought from IDRC's Social Sciences and Human Resources Division. * *

Regarding recommendations 3, 4 and 5, TECHNINET ASIA has funds allocated for these activities as these are part of its current program. Preliminary work could be done even before the TECHNINET Council Meeting (TC5) in September next. Since entrepreneurship development is an important parallel activity to industrial extension and information work, adequate support for it would be considered by TECHNINET. * *

Ms Lavador suggested that since the fifth recommendation called for the election of officers for an EDP 'forum', the present group could elect the office bearers for it.

After deliberation, the group decided, initially, to map out the frame of reference for the setting up of the forum before the election of officers. The following was the result of the discussion.

1. Title

Entrepreneurship Development Forum of Asia (EDFA)

2. Objectives

- 2.1 Sharing of experiences and exchange of ideas among POs on entrepreneurship development;
- 2.2 Improve trainer services - "esprit de corps";
- 2.3 Facilitate cooperative and coordinated approach to entrepreneurship development;
- 2.4 Compilation of data, research findings, etc., and dissemination of these to POs;
- 2.5 Improve implementation of the total entrepreneurship development program among POs;
- 2.6 Work towards common standards;
- 2.7 Interchange of expertise among POs through conduct of joint training programs;
- 2.8 Serve as a forum for the exchange of experiences for the benefit of entrepreneurs.

3. Tentative Program

- 3.1 Establish an Entrepreneurship Development Centre for ongoing research, training and other related activities in order to evolve an Entrepreneurship Development Program that is suited to the needs of Asian countries, especially to the POs' needs;
- 3.2 Development and publication of training materials that are suited to Asian conditions;
- 3.3 Publication of a newsletter to facilitate exchange of EDP experiences among developing countries;
- 3.4 Case-writing on EDP experiences in various countries;
- 3.5 Exchange of curricula and workshops on curriculum development and periodic review.

4. Organization

It was suggested that this forum could be patterned after the ASINDEX Forum with

- 4.1 yearly election of Chairman and Vice-Chairman, with the Chairman to select his officer bearers - secretary, treasurer and PRO - within his own PO or country;
- 4.2 institutional membership - POs only; and
- 4.3 possibility of accepting non-POs as Associate Members, with no voting rights - depending on the policies of TECHNONET ASIA.

5. Logistics

This, as well as refining and stylizing of the above four points, will be handled by TECHNONET ASIA. The tentative draft, as prepared by TECHNONET ASIA, will be sent to all POs for comments, additions, etc., and returned to TECHNONET ASIA for finalization. The final manuscript will be presented to the PO heads when they meet at TC5 in Penang in September next.

Targeted deadline for the final Terms of Reference is July 1978.

In this connection, Mr Wan Hassan offered the services of his organization if these will be so required to facilitate the finalization of the Terms of Reference of EDFA.

With the matter thus rested, discussion went on to the Handbook "Developing Entrepreneurship" by Udai Pareek and TV Rao, which Dr Chico had earlier on passed around to ascertain the usefulness of its contents. A proposal was put to Dr Chico that a copy be provided each PO. Dr Chico replied that this would be given strong consideration and the decision communicated to those concerned.

Finally, the Workshop ended with Dr Chico's closing remarks congratulating all present for a job well done. Special mention should be made of the industrious efforts of the UP ISSI secretariat, which went a long way in making the Workshop the succes/it was. The fruitful results of the Workshop, according to him, could not have been more tangible than the recommendations proposed and the tentative Terms of Reference of EDFA set forth. He requested the participants to discuss the Workshop proceedings and recommendations with their organizations' heads in order to get as many reactions as possible and to facilitate approval of PO heads during the forthcoming TECHNONET Council Meeting.

With this, Dr Chico officially closed the Workshop.

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Opening Remarks by UP ISSI Director
on 1 June 1978

Ladies and Gentlemen, Participants to the EDP Workshop:

Good Morning. This seminar room makes our first meeting far more conducive to greeting everyone more than a good morning. Shall I say instead "For six days, I wish everyone a pleasant stay and a fruitful undertaking ahead for all of you".

This activity is aptly titled a mini-workshop. "*Mini*" is a common day word used extensively during the 1960s. That does not seem such a long time ago. Or was it? Hence, the coining of the words: mini-bike, mini-tube, mini-calculator and, more imaginatively, mini-skirt!

But beware! The 1970s evolved a more effective use of the word, with technically the word mini-workshop to serve us.

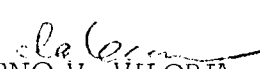
This EDP Workshop was conceived with the ultimate objective of stimulating and developing a scarce economic resource, that is the entrepreneur. Through a lively exchange of ideas, theories and strategies on entrepreneurship development, three clientele were deemed beneficiaries of this project. Thus,

1. *the EDP trainers* - at the end of this six-day Workshop, participants' teaching capabilities will be enhanced through the exchange of experiences and a proposed handbook of teaching materials.
2. *the policy and decision makers* - by broadening the awareness and understanding of the entrepreneurial needs of the small and medium industry sector among the policy and decision makers, they can carry out their functions more effectively to assist the growth and development of small and medium industries; and
3. *the small and medium industry entrepreneur* - by familiarizing the participants with the latest trends in management and the relevant concepts and processes for small entrepreneur training, a more effective training program package can be designed and implemented.

Today is the first day of your participation in this Workshop. Hopefully, at the end of the six days' deliberations, a comprehensive study, understanding and awareness of the role and importance of the entrepreneur and the small and medium industry sector will reach new heights. You, as participants, will have greater responsibilities ahead of you, and in six days' time, this will be further enhanced with greater understanding.

Lastly, I hope that during the last day of your participation in this EDP Trainers' Mini-Workshop, the word "*mini*" will be more picturesque and eventful. For the mini-skirt, although out of fashion, will ring a bell always for days gone by. Mini will mean the six days' stay you would have had in my country, the Philippines and its people. We, Filipinos, do not give mini smiles for one thing!

Again, a pleasant stay and fruitful undertaking ahead of you all.


PATERNO V. VILORIA
Director

TECHNONET
EDP TRAINERS' MINI-WORKSHOP
SILAHIS INTERNATIONAL HOTEL
June 1-6, 1978

Clear Sarino's speech.

This is the third time I have been invited by my colleague, Mr. Paterno Vilorio, to be here to address the staff of the cooperating Institutions of Technonet Asia. I did not hesitate to accept the invitation as this gives me yet another opportunity to expound on the necessity of developing cottage, small, and medium industries.

In sharp contrast to the development framework which is foreign-investment, capital - intensive and foreign-technology-oriented, which heretofore have been the trademark of industrial development, the development of small entrepreneurship, I believe, must stress the development of people.

And so this morning, I have chosen to speak on entrepreneurial development as it applies to aggr[?]upations or group-owned and managed enterprises rather than to individual concerns. Here are the facts of the case:

1. The purpose of all our efforts is the development of people, specially those belonging to the most disadvantaged sector of our population.

2. The gap between the privileged and underprivileged members of our society has not narrowed with time, but has seemed to widen, in fact.
3. Cottage and small industry development, a vital component in bridging the gap between the rich and the poor, has so little resources, particularly well-trained and skilled manpower, at its disposal.
4. Given the limited manpower resources and the urgent need to develop, nurture and maintain a large and adequate entrepreneurial base, it seems practical to use each unit of this resource to serve a larger number of prospective beneficiaries.
5. The thrust of development must therefore be directed more toward promoting the growth of group-owned and managed enterprises than toward individual concerns.

Of course, this has its advantages and disadvantages, but I believe its potential benefits outweigh the costs. First, we have a larger labor base which would be less expensive than having to hire production workers. Second, a larger asset base, either for raw material

or financing purposes, is assured. Third, and perhaps most important, is the opportunity it affords to organize and mobilize these units for total community development by inculcating into the system the benefits of mass action and cooperation.

By advocating this group approach to small and medium enterprise development, I am not negating the parallel need to develop individual enterprises; such effort has its place in the total scheme of development. But I hope that this workshop will consciously and deliberately consider these imperatives of our time. The task is difficult and the problems are many, but what investment in human development is not without its share of pain and sacrifice?

I am confident that this workshop will be a fruitful and successful one. We can expect no less.

Thank you very much.

Presented on 1 June 1978
by
Mr Jose Maria Ganuza
EDF Philippines

EDP TRAINERS' MINI-WORKSHOP
Manila, Philippines
1 - 6 June 1978

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CRDMIH/DP Indonesia

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Dr Leon V Chico
Administrator

Dr William J Gall
Deputy Administrator
(2-6 June)

Mr Santi Grachangnetara
Engineer
(1-2 June)

Mrs Sum Wai Ping
Executive Assistant

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EDP TRAINERS' MINI-WORKSHOP
Manila, Philippines
1 - 6 June 1978

A G E N D A

31 May (Wed)	INDEXTRAC VIII and EDP Workshop Participants	1900-2100	INDEXTRAC VIII Closing Dinner (jointly hosted by TECHNINET ASIA and UP ISSI)
1 June (Thu)	Session I	0900-1015	Opening Ceremony - Welcome Remarks by UP ISSI Director - Remarks by EDF President - Remarks by TECHNINET Administrator - Introduction of Participants and Observers - Election of Co-Chairmen - Approval of Provisional Agenda Orientation on Workshop Objectives and Organization
		1015-1045	COFFEE BREAK
	SESSION II	1045-1230	Country Presentations - BSCIC Bangladesh - DP Indonesia - KORSTIC Korea
		1230-1400	LUNCH BREAK
	Session III	1400-1515	Country Presentations - MARA Malaysia - IDB Sri Lanka - DIP Thailand
		1515-1545	COFFEE BREAK
	Session IV	1545-1700	Country Presentations - UP ISSI Philippines - Others, Observers
2 June (Fri)	Session V	0930-1030	Identification of EDP Needs of POs Formulation of Plan of Action Organization of Task Groups
		1030-1100	COFFEE BREAK

2 June (Fri)	Session VI	1100-1230	Initial Discussion of Task Groups
		1230-1400	LUNCH BREAK
	Session VII	1400-1800	Observation Visit to two Entrepreneurial Activities
3 June (Sat)		0800-1800	Field Trip Around Metro Manila Area
4 June (Sun)		F R E E	
5 June (Mon)	Session VIII	0900-1030	Initial Reports of Task Groups
		1030-1100	COFFEE BREAK
	Session IX	1100-1230	Discussion of Reports
		1230-1400	LUNCH BREAK
	Session X	1400-1700 (1530-1600)	Final Discussion of Task Groups COFFEE BREAK)
		1900-2100	DINNER (jointly hosted by TECHNONET ASIA and UP ISSI)
6 June (Tue)	Session XI	0900-1030	Finalization of Project Plan: Task Groups' Reports to be Discussed and a Plan of Action Developed
		1030-1100	COFFEE BREAK
	Session XII	1100-1300	Integration Summary of Recommendations Closing Remarks

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BID TRAINERS' MINI-WORKSHOP

1 - 6 June 1978

Manila, Philippines

ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

by

Mr A M Chowdhury

I. BACKGROUND INFORMATION1. National objectives and/or rationale for the development of indigenous entrepreneurs and industries.

The Industries Sector contributes 8.1% of the GDP and accounts for about 70% of foreign exchange earnings from export.

About 40% of total Industries Sector's contribution to GDP comes from the sub-sector of Small, Cottage and Rural Industry.

75% of total labour force (?) is employed by the Agricultural Sector; Agriculture contributes about 56% of the GDP; crops (3/4 is rice) provide 40% of GDP.

Total number of public sector enterprise is about 400, employing 300,000 workers.

Population growth is 2.8% per annum. About 1,800,000 (?) new workers are coming for employment every year.

The employment strategy in the present 2-year plan (78-80) emphasizes employment creating sectors:-

The target of the 2-year plan is:-

- (a) To achieve an annual growth rate of 5.6% in GDP (Tk. 712 in 77-78, estimated people 85.4 million) and (Tk. 732 projected for 78.80 and people 87.8 million) at constant 72.73 factor cost allowing an average increase at 2.3% per year;
- (b) To create additional job opportunities for 2.3 million, so that it can absorb fully the new entrants into the labour market and have favourable effect on under employment and backlog of unemployment;
- (c) To attain a food grain (rice and wheat) target of 14.4 million tons by 79.80 to reduce import from 1.7 million tons to 1.3 million tons.
- (d) To increase annual per capita availability of basic consumption items:-

(i) Foodgrains from	346 oz - 353 oz
(ii) Edible Oil	4.08 lbs - 4.30 lbs
(iii) Cotton Textiles	6.03 yds - 7.40 yds
(iv) Sugar	3.88 lbs - 3.97 lbs

In the manufacturing sector, one of the major objectives of the 2-year plan is:-

- (a) To achieve socially desirable equity in income distribution through promotion of cottage and rural industry.
- (b) To increase production of capital goods, particularly those, which have strong linkage with agriculture and strong infra-structure development.

With a view to realising the objectives, including the ones mentioned above, specially regarding employment, the 2-year plan follows, among many others, the following strategy:-

Except in areas where modern Capital-intensive technology and large-scale operations are guided by overriding technical and economic considerations, choice has been made in favour of labour intensive technology, and small and cottage industries - with locations of industries dispersed in different regions through incentives and administrative directives - in order to promote regional development.

Since, the Small, Cottage and Rural Industries Sector offers the best opportunity for providing a means of livelihood to the millions of unemployed and underemployed people, for diversifying the industrial base of the economy in producing for both domestic and export markets, for securing optimum utilization of indigenous materials and skills, and for widening the participation of people in the process of economic development, one of the main objectives of this sub-sector under the two-year plan is:

- (a) To create job opportunities for unemployed and underemployed rural people in general, and unemployed educated youth in particular;
- (b) To develop less-developed rural areas by promoting rural industries etc.

The Government of Bangladesh, under the sponsorship of Bangladesh Bank (Central Bank of the Country) has already undertaken a programme of self-employment of educated unemployed youth. The programme has duly been approved by the Secretaries Committee on Economic Co-ordination. The programme is very limited in its scope and is experimental in nature.

2. Organizations involved in Entrepreneurship Development Programme, to be started soon.

The following Ministries/Organizations/Departments are involved, in varying extent, in this national programme.

- (a) Bangladesh Bank (Sponsor)
Commercial Banks - Sonali & Shilpa;
- (b) Bangladesh Management Development Centre (Principal - executive agency for training);
- (c) Bangladesh Small and Cottage Industries Corporation;
- (d) Ministry of Manpower Development, Labour and Social Welfare;
- (e) Ministry of Industries;
- (f) Ministry of Planning;
- (g) Sub-Divisional Administration;
- (h) Local (Divisional & Sub-Divisional, important and educational institutes;
- (i) Municipal Corporations/Town Committees;

- (j) Trade Associations;
- (k) Universities & the Institute of Business Administration; and
- (l) Engineering University & Technical/Vocational Training Institutes.

Some of the above organizations will provide various linkages in the whole process of this Entrepreneurship Development for Educated Unemployed youth.

II. COUNTRY EXPERIENCES ON ENTREPRENEURS DEVELOPMENT PROGRAMME

1. Promotion of indigenous Entrepreneurs and Enterprises: Govt Policies and Incentives.

Bangladesh has no previous experience on Entrepreneurship (educated unemployed) Development. But as has been mentioned earlier, Government has put due stress on the need of increasing employment opportunities - specially for self-employment of educated unemployed. It has accordingly, through the sponsorship of Bangladesh Bank, decided to launch an experimental programme on Entrepreneurship Development for self-employment of educated unemployed youth.

A Central Committee has been formed for the purpose and Bangladesh Bank in co-operation with the Commercial Banks has already created a fund to the tune of about Taka 5 million (about \$300,000) for the promotion of the programme. The fund has been named as the Self-Employment Promotion (Trg) Fund.

Incentives

The selected, potential entrepreneur will be given free training on entrepreneurship development; he will be given a monthly stipend, say, of Taka 300 a month, or free food, lodging and some per diem, as it deems fit.

After successful completion of the training and acceptance of his proposed project, he will receive credit varying up to a maximum of Tk. 100,000 (about \$6,000) in general which may also be more depending on the merit of the case.

2. Identification and Selection of Entrepreneurs and Types of Projects.

The crux of the problem is thought to be the process of selection of the prospective entrepreneurs and on this will depend the probability of success of the whole experiment.

The Central Committee has accordingly formed two other committees - (i) a Sub-Divisional Committee who will make a preliminary selection, and (ii) a Course Committee, who will make the final selection, and will impart training.

Psychological tests will find a heavy weightage in the testing process. A questionnaire has been designed, answers of which will be processed to find out the relative scores of the prospective candidates.

Traits reflecting/representing various qualities of entrepreneurship have been transformed into questions and tests with full-hearted co-operation of the Department of Psychology, University of Dacca. The BMDC was assigned the responsibility to devise a suitable selection

procedure.

As for the types of projects BSCIC was given the responsibility to supply the Central Committee with a list of suitable projects; they have already been working in this line since long.

Nevertheless, if we consider the objectives of the Government mentioned earlier, the most suitable projects will be the following:-

- (1) Handloom
- (2) Rice-Husking
- (3) Oil extraction from seed
- (4) Manufacture of small agro-equipments
- (5) Manufacture of banyan
- (6) Manufacture of mechanised fishing equipments
- (7) Manufacture of green manure
- (8) Handicrafts
- (9) Jute Products
- (10) Cigarette making (Bidli Making)
- (11) Workshops (mechanical and electrical)
- (12) Spare parts for big industries
- (13) Canning of fruits, vegetables and fish
- (14) Ropes
- (15) Processing of Coconut Husks
- (16) Poultry and Veterinary farms in Chars and islands
- (17) Hillside plantation/Cultivation
- (18) Offshore fishing
- (19) Household electrical goods/spares of easy fabrication
- (20) Automobile repairs
- (21) Trade Teaching Centres
- (22) Dry cells & wet cells, with imported raw materials and elements
- (23) Artificial jewellery
- (24) Toys - plastic, rubber and metal
- (25) Simple Chemical dyes and medicines etc.
- (26) Ready-made garments (specially for women).

3. Training and Development

The Course Committee, after instruction from the Central Committee, prepared a detailed schedule and curricula for the proposed training (Pl. see Appendix).

Due stress will be given on the aspects intimately connected with the activities of the small entrepreneurs.

The whole training programme will be conducted, under the general supervision of the course committee, by the Consultancy Services Division of the Bangladesh Management Development Centre, Dacca, both at Dacca as well as in the Divisional Headquarters.

But, for the installation into actual business, the BSCIC will have to shoulder a heavy responsibility - in assisting the trained entrepreneur for getting land and capital etc. for establishing himself, preferably, in any of its Industrial estates.

4. Supporting services etc.

Once installed, the new entrepreneur will be under the constant care of the Sub-Divisional Committee who will provide regular feed back both to the Central Committee and also to the Course Committee, on their progress.

The Central Committee may then take necessary corrective measures either directly or with assistance of the Course Committee.

The Central Committee may then require ESCIC to provide, in close co-operation with the Export Promotion Bureau and other local agencies, the necessary network for marketing the products of these new entrepreneurs, to provide free knowledge about any traceable, technological progress that may easily be adjusted to our circumstances.

In summary, all possible assistance in any/all possible directions will have to be (and in fact, it will be) provided to these newly trained entrepreneurs, in an all-out attempt to make them a success.

5. Evaluation of Results

It is planned that the progress of the new entrepreneurs and also of the entire experiment will be reviewed bi-annually - to assess the weak points, failures and successes of our EDP.

III. SPECIFIC RECOMMENDATIONS

1. For our PO action in EDP

The Course Committee, may take or be given, the responsibility to make regular evaluations of the progress made by the newly installed entrepreneurs and they may, after proper authorization by the Central Committee, take all necessary corrective steps.

2. For collaboration among TECHNINET POs etc.

- (a) Observation of the progress made by those POs of the TECHNINET, who have already installed the EDP in their countries by the participants from the POs - who are going to start EDP, will be of immense, unparalleled practiced experience.
- (b) Healthy, constructive, threadbare discussion on the envisaged programme will possibly help eliminate some flaws that may otherwise be lying hidden in the whole experimental stage.

Data that may help enlighten the discussion on the paper.

A. Growth rates achieved during 1973-78

1. Agriculture	-	3.5%
2. Food Grain	-	3.0%
3. Population	-	2.8% - 3.0%
4. Economy	-	4.0%
5. Export	-	6.5%

- B. 76-77 GDP at current market price = t. 9,396 crores
- 77-78 GDP 72-73 Factor Cost = t. 6,084 crores

C. Students enrolled in 1978

		Total	M	F
1. Primary School	-	85,00,00	56	29
2. Secondary	-	19,00,000	14	5
3. College	-	3,81,000	3.3	.5
4. Teacher Education	-	11,700	-	-
5. University	-	32,000	24.7	7.6
6. Science	-	8,000	6	1.7
Geography	-	20,000	14	5.8
English	-	1,800	1745	55

V

	- 6 -	Total	H	F
Agriculture	-	2,372	2,352	19
7. Technical	-	15,624		
D. Population	84.8	pci	712 t.	
77-78	85.4			
79-80	90.2		752 t.	
		Child producing women: 22%		
		Pregnant at any point of time: 4%		

ANNEX

DRAFT COURSE OUTLINE OF ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

4 weeks - 144 hours.

Sessions: 0900 - 1030, 1100-1230; 1400-1530; 1540-1700.

A. GENERAL (6 Hours)

1. Introduction to the Course.
2. What is Small Scale Industry and what is Small Business?
3. Why go into business?
4. Money to start your business.
5. Success and failure in business.
6. Jobs of the owner/manager.

B. BOOK-KEEPING, ACCOUNTING and FINANCE (30 Hours)

1. Introduction to Bookkeeping, Accounting and Finance
2. Recording procedures of transactions and voucher system.
3. Preservation of cash book and Reconciliation of Cash and Bank Balance.
4. Preparation of Ledger.
5. Preparation of Trial Balance.
6. Preparation of Income Statement.
7. Preparation of Balance Sheet.
8. Accounts Receivable or Debtors Management.
9. Accounts Payable or Creditors Management.
10. Correction of entries and year end adjustment.
11. Assets Management.
12. Using the Income Statement.
13. Using the Balance Sheet.
14. Year end Reporting.
15. Filing Income Tax.
16. Planning and Budgeting.
17. Preparation of salary and wages sheet.
18. Statement showing cost of production.
19. Choosing Investment field.
20. Sources and uses of funds.
21. Inventory Management.

C. BUSINESS ORGANIZATION (9 Hours)

1. Introduction to organizing a business.
2. A closer look at each legal form of business organization.
3. Business laws.
4. The death of the business.

D. BUSINESS COMMUNICATION (6 Hours)

1. Introduction to Business Communication.
2. Writing Business letters and reports.
3. Speaking in business.

E. PRODUCTION (9 Hours)

1. Introduction to production.
2. Production cost.
3. Plant layout and work simplification.
4. Quality control.
5. Equipment maintenance.
6. Planning and scheduling production.
7. Plant location.

F. MARKETING (I - 18 Hours; II - 18 Hours)

- I 1. Introduction to marketing.
2. What is a market?
3. Sizing up a market opportunity.
4. The right product and right service.
5. Middle area.
6. Purchasing.
7. Stock-keeping.
8. Setting prices.
9. Promoting your business.
10. Salesmanship.
11. Merchandise layout and display.
12. Analysing your market.

II Field study to some urban/rural marketing area.

G. PERSONNEL (6 Hours)

1. Introduction to managing people.
2. Why people work?
3. Selecting the best man for the job.
4. Giving workers responsibility and measuring their performance.
5. Labour Relations - Laws.
6. Disciplining the employees.

H. STARTING THE BUSINESS (36 Hours)

1. A visit to a Business.
2. First Business project.
3. Planning to start a business.
4. Sources of financing for starting your business.
5. Sources of financing for operating the business.
6. Credit application.
7. Check list for going into business.
8. Evaluation and Certificate (6 Hours).

EDP TRAINERS' MINI-WORKSHOP

1 - 6 June 1978

Manila, Philippines"ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES DP INDONESIA"

by

Drs. F. Sermawati and Drs. Nadirsjah R. AraI. BACKGROUND INFORMATION1.1. National Objectives

It is a truism that there is a strong and positive correlation between the wealth and standard of living of a country and the extent of its industrialization as developed countries has been proved until today.

The first and second five-year plan of Indonesia emphasizes also the gradual shifting of national economic development programme from the traditional agriculture activities to modern agriculture ones and ultimately the real progress should be on the industrial sector. The development of indigenous entrepreneurs and industries is actually based on the economic system from the second world war and Independence War Era.

It was characterized: -

- 1.1 Indonesia's economy was based on agriculture products for export;
- 1.2 Industries which were very small in size and number, mostly in the field of handicraft activities, organized through traditional methods, such as a family business;
- 1.3 Large disparity in income between rural and urban community;
- 1.4 Concentration of industrial activities in a very few regions (areas);
- 1.5 Increasing unemployment, disguised and seasonal employment.

Therefore to fulfil one of the Independence objectives the Government is conducting several five-year National Development Plans (this year is the last year of second five-year National Development Plans) which is based on the National General Guidelines (GBHN).

Some main points for the industrial development sector, in the coming third National Development Plan are:

- (a) In conducting industrial development, improved steps should be taken to develop national private business. The Government should give more considerations to the development of infra-structures and create a sound climate to support the growth of industries. Accordingly, efforts should be taken to develop skill to improve labour productivity, and managerial ability of the national private businessmen, especially small businessmen.
- (b) to foster the economically weak group, some ways should be taken, i.e. soft financial assistance, technical assistance, informa -

tion through all efforts to create and develop entrepreneurship.

- (c) specific activities, especially traditional business which are classified as weak economic group should be protected.
- (d) entrepreneurship, business skill and management ability of the national businessmen should be improved to speed up the transfer of foreign private activities into national private ones.

Experience since 1950 supported by recent experience has uncovered that it is erroneous to develop industrial sector by providing facilities alone while neglecting the characteristic of the persons involved. Privileges to indigenous entrepreneurs in fact do not improve and make them stronger but mostly spoil them, resulting in the domination of the economic enterprise system by non-indigenous entrepreneur and shifting national wealth to non-native origin people which create social unrest and prejudices.

Experience showed that large scale industries could not solve unemployment problems because of capital intensiveness, but widened gap between the rich and the poor.

I.2. E.D.P. Organization

Since 1971, DP Indonesia through L.P.P.I. (Institute for Research and Education, which is now divided into four R & D institutes) has launched entrepreneurial development programmes by conducting and extending practical management training which was called Package Course on Industrial Management and Consultation for SSI in several provinces in Indonesia. This programme proceed periodically until 1974 covering nine provinces, that is, Yogyakarta (DIY), Ujung-Pandang (South Sulawesi), Medan (East Sumatra), Padang (West Sumatra), Surabaya (East Jawa), Semarang (Central Jawa), Banda Aceh (DIA), Palembang (South Sumatra) and Denpasar (Bali). Along with this programme, several DP's Regional Research Institutes holding also short period, technical and technological skills training for SSI key personnel, such as on dyeing, finishing, moulding, welding, processing techniques, etc. The L.P.P.I., in joint Programme with BIPIK, also has been preparing and issuing the Industrial Profiles for SSI.

To make the programme more effective, DP and the Ministry of Labour sponsored by UNIDO/UNDP had invited Dr David McClelland and Dr David E Berlew in 1972 to demonstrate AMT (Achievement Motivation Training) in Jakarta and Bandung separately, as a means to create trained entrepreneurs in a large number within a short period. Aware of the role of entrepreneurs in job creation and wealth improvement, DP Indonesia established an Entrepreneurship Development Project which was called Achievement Motivation Project, co-ordinated by Drs F Bermawi in 1973. This DP: AMT project, assisted by UNDP/UNIDO through INS/74/045, assistance to the National Entrepreneurship Training Programme in 1975.

The main task of DP-AMT Project was to conduct AM Trainers' Training as to produce trainers for conducting AMT. This programme lasted about one year, from May 1975 to April 1976, led by Professor Sri. Manohar Nadkarni from NCID India, as UNIDO expert.

The participants of the programme consisted of 21 people from several institutes, i.e., University of Indonesia, PT Bahana, Development Bank of Indonesia (BAPINDO), the Ministry of Labour, the Ministry of Defence and the Indonesian Chamber of Commerce and Industry (KADIN Indonesia) (see Appendix I).

Since August 1975, DP has been conducting 22 AM practices and full AM training for around 400 indigenous entrepreneurs in SSI in the regions. Several institutes involved in conducting entrepreneurial or managerial development programmes are:-

1. DP Indonesia:- ex L.F.P.I. (Institute for Research & Training)
 - R & D Institute for Miscellaneous Industries and Handicrafts
 - R & D Institute for Chemical Industries
 - R & D Institute for Textile Industries
 - R & D Institute for Metals and Machineries Industries
 - Centre for Education and Training
 - Project for SSI Fostering and Development (BIPIK)
2. Ministry of Labour:- National Productivity of Indonesia (PPNI)
3. Industrial Regional Office
4. Management Institute, University of Indonesia
5. Institute of Psychology, University of Indonesia
6. Development and Technology Centre, Institute of Technology, Bandung
7. Institute for Management Development (L.P.P.M.)
8. Indonesia Chamber of Commerce and Industry (KADIN-Indonesia)
9. Institute for Entrepreneur Fostering (L.B.W.)
10. Institute of Psychology, University of Pajajaran.

The linkages between those institutes exist only in incidental joint programmes, besides conducting their programmes independently.

II. DP INDONESIA EXPERIENCE IN E.D.P.

1. Some experts in Entrepreneurial Development in Indonesia estimated that the country ~~urgently need at least~~ 1,000,000 sound and real entrepreneurs within ten years in order to bring the economy to the take-off condition through its national entrepreneurs. Therefore, to cope with this problem, the Government or DP policies is giving priority to develop existing indigenous entrepreneurs and potential indigenous entrepreneurs in SSI in several industries concentrated areas like West Jawa, Central Jawa, East Jawa, Bali, South Sulawesi, South East Sulawesi, South Kalimantan, Lampung, South Sumatra and North Sumatra. The Government implements these policies through the activities of BIPIK cq Industrial Extension Office for SSI and Industrial Regional Office, to extend incentives and facilities to SSI in the form of:-
 - (a) technical and technological informations services
 - (b) technology training, practical management training, AM Training, Courses and Seminars
 - (c) extension services and consultation
 - (d) technical assistance i.e. expertise, tools and equipment, small machineries, raw materials etc.
2. To start the EDP Training Course, DP takes several steps as follows:-
 - (a) identification of the existing entrepreneurs through production

- report or activities list which are sent periodically by the firm or production unit to regional offices.
- (b) selecting entrepreneurs by priority of industrial sector potentially to be developed in accordance with region or national development strategy.
 - (c) sending application form to entrepreneurs for preliminary selection, in order to assess the successful entrepreneur characteristics, as for example the risk taking concept, responsibility, reaction to failure, the long-term career aspiration, the competition concept and reasoning to involve in business.
 - (d) Oral interview for an overall assessment and detailed aspect of entrepreneurial pattern of thinking.

The procedure including also the assessment of candidate entrepreneurial ability by applying behavioural science techniques, such as, TAT (Thematic Apperception Test), SRIQ (Social Reaction Inventory Questionnaire according to Rotter), WAQ (Work Analysis Questionnaire).

Within the preliminary selection of the candidate, DP usually decides on criteria of the participants, mainly as follows:-

- (a) voluntary participation
- (b) age between 20 to 40 years
- (c) mastering Bahasa Indonesia
- (d) owner entrepreneurs or managing entrepreneurs
- (e) preference given to the existing promising entrepreneur
- (f) at least secondary school educational background
- (g) willingness to participate in the training process uninterruptedly.

DP experience in implementing those procedures took at least two months until the final candidate is chosen among others it is due to difficulty in communication and transportation. Sometimes problems arise from the reluctance of the entrepreneurs to participate, because they could not afford to leave totally their business for five days in ~~succession~~ to attend AMT. All E.D.P. are financed by Central Government Budget through DP or BPIK, Centre for Education and Training or Local Government budget through Industrial Regional Office. As most of the participants come from out of town, DP Indonesia conduct the E.D.P. training on residential basis considering the efficiency ~~and~~ effectiveness of the programme. The average budget for regional E.D.P. training, especially for AMT was around Rp.2.000.000 - equivalent to US\$5.000 - for about 22 participants and 3 trainers.

Most of the budget went to the course accommodations, meals and transport allowances. The composition of the budget expenditure as follows:-

- organizing expenses	19%
- trainer's fee	11%
- transport allowances	21%
- materials	12%
- accommodation	25%
- meals	12%
	<hr/>
	100%

The I.T.B. put the budget for trainer fee alone about US\$5.000 - excluding residential and transport allowances for the trainer which consist of 5 people. The I.T.B. took contribution from the entrepreneur about Rp.80.000 - or about US\$200 - per candidate.

Therefore I.T.B. programme is beyond the reach of SSI entrepreneur and Central or Local Government budget.

3. Formerly, DP Indonesia policy on E.D.P. was giving the entrepreneur technical and managerial skill to run small industries enterprises. Therefore L.P.P.I. conducted Package Courses on Industrial Management and Consultation which took about ten days/courses with about 70 sessions of 45 minutes effectively and consist of 18 subjects (see Appendix II).

Beginning with the last session of AM Trainers' Training, DP Indonesia launched AMT for SSI Entrepreneur which took about five days with about 8 to 10 hours daily Training (see Appendix III). DP Indonesia has already experienced to combine AMT and Package Course programme in two ways as follows:-

- (a) full P.C. plus A.M.T. (in Tanjungkarang, Lampung)
- (b) A.M.T. plus selective topics of P.C. (in Medan and Ujung-Pandang)

P.C. programme in Medan and Ujung Pandang were given on very selective subjects such as on the role of extension officer, feasibility study (Project identification, evaluation and selection), loan proposal and project proposal, fieldwork, assignment working paper for group discussion. From recent experience, DP Indonesia got the conclusion that it is better to conduct AMT firstly and then followed by P.C. and finalised by preparing a programme or session on refinement of the individual entrepreneur goal setting for five years to come.

4. Supporting services and assistance available for entrepreneur in addition to those mentioned in page 5 is financial assistance through credit scheme, which are called the K.I.K. (Small Investment-Credit), K.M.K.P. (Permanent Working Capital Credit).

III. RECOMMENDATIONS

1. DP - EDP Programme

- 1.1. To continue EDP Programmes independently while seeking a way to conduct through integrated programmes.
- 1.2. Improving the monitoring aspects as to find the way to link with financial assistance.
- 1.3 Find a system and procedures for after-care services and rescue programmes.

2. Proposal for TECHNINET Joint Programme

- 2.1. Joint Achievement Motivation practice training.
- 2.2. Salesmanship Training.
- 2.3 Master Trainer's Training for AMT.
- 2.4 Comparative Study Tour in EDP Programmes.

LIST OF CERTIFIED A.M. TRAINER
UNIDO/UNDP - DP

<u>NO</u>	<u>NAME</u>	<u>INSTITUTE</u>
1	Mr Nadirsjah Rasjad Ara	DP (Ministry of Industry)
2.	Mr Zulashar Iskandar	Bahana (Indonesian Business Development Corporati)
3.	Mr Lebuinus Kusien	Psy. (University Indonesia)
4.	Mr A Affandi Ismail	P.P.N.I. (National Productive Center)
5.	Mr Maniur Simanjuntak	P.P.N.I. (National Productive Center)
6.	Mr Lahar Sofyan	BAPINDO (Development Bank of Indonesia)
7.	Mr Agussalim Rasyid	KADIN (Indonesia Chambers of Commerce and Industry)
8.	Mr Frans Sudarmanto	KADIN (Indonesia Chambers of Commerce and Industry)
9.	Mr L H A Daulay	BAPINDO (Development Bank of Indonesia)
10.	Mr Kaboel	DP (Directorate General of MIH)
11.	Mr M Nasution	Dep. HANKAM (Ministry of Defence)
12.	Mr Dj. F. Saragih	Dep. HANKAM (Ministry of Defence)
13.	Mr Suwardja	Dep. HANKAM (Ministry of Defence)
14.	Mr Kartono	ITT (Institute for Textile Technology)

APPENDIX II

PACKAGE ON INDUSTRIAL MANAGEMENT AND CONSULTATION DP PROGRAMME

NO	DAY	SUBJECT	TIME/DURATION	METHOD
1	I	Capita Selecta/SSI in Indonesia - an Overview	2 Sessions	Lecture and Discussion
2	I	Feasibility Study	3 Sessions	Lecture & Assignment Discussion
3	II	Network Planning (CPM)	3 Sessions	Lecture & Assignment Discussion
4	II	R & D Interrelation	2 Sessions	Lecture & Discussion
5	II	Production Management	2 Sessions	Lecture & Discussion
6	III	Central Government Industrial Policy	3 Sessions	Lecture & Discussion
7	III	Communication	2 Sessions	Lecture & Discussion
8	III	Personnel Management	2 Sessions	Lecture & Discussion
9	IV	Production Management	3 Sessions	Lecture & Assignment Discussion
10	IV	Communication	2 Sessions	Lecture & Discussion
11	IV	Personnel Management	2 Sessions	Lecture & Discussion
12	V	Plant Visits	Whole Day	Observation & Discussion Report
13	VI	Foreign & Domestic Investment Law & Policy	3 Sessions	Lecture & Discussion
14	VI	Trade Mark & Patent	4 Sessions	Lecture & Discussion

<u>NO</u>	<u>DAY</u>	<u>SUBJECT</u>	<u>TIME/DURATION</u>	<u>METHOD</u>
15	VII	Organization & Method	3 Sessions	Lecture & Assignment Discussion
16	VII	Financial Management	4 Sessions	Lecture & Assignment Discussion
17	VIII	Record Management & Business Writing	3 Sessions	Lecture & Assignment Discussion
18	VIII	Industrial Statistics	2 Sessions	Lecture & Assignment Discussion
19	VIII	Quality Control & Standardization	2 Sessions	Lecture & Assignment Discussion
20	IX	Marketing Management	3 Sessions	Lecture & Assignment Discussion
21	IX	Quality Control & Standardization	2 Sessions	Lecture & Assignment Discussion
22	IX	Industrial Statistics	2 Sessions	Lecture & Assignment Discussion
23	X	Industrial Development Administration	3 Sessions	Lecture & Discussion
24	X	Local Government Industrial Policy	3 Sessions	Lecture & Discussion

Afternoon Session	Afternoon Session	Afternoon Session	Afternoon Session
<ul style="list-style-type: none"> *Ring Toss Game 3 Phases *RTG Result Tabulation & General Discussion *Small Group Discussion *Explanation of IAT, Motives & Motivation 	<ul style="list-style-type: none"> *Business Game Expt & Play 3 Phases *BG Result Tabulation *General Discussion 	<ul style="list-style-type: none"> *Case of Successful Entrepreneur *Block Building Game (Role Playing) *Social Values *In Ach & NT History 	<ul style="list-style-type: none"> *SG Discussion CSI *Checking n Ach Story *Goal Setting II *Work Analysis Questionnaire & Evaluation *Goal Setting III

ENTREPRENEURIAL MOTIVATION TRAINING TRAINING CONTENT & TIME-TABLE

...2/-

Country Paper for EDP Trainers' Mini-Workshop
Prepared by Kwong Jin Lee - Korea

I. Background Information (Local)

Even during a period when the government assigns top priority to the development of large-scale heavy industries, there is need to be concerned with the healthy growth of small and medium-scale industries. Indeed, it is urgent for the nation to devise a system whereby the benefits of managerial efficiency, technological progress, and increased capital can be made available to such enterprises. To this end, the government last year (1977) expanded the administrative and technical service capacities of three agencies: the Ministry of Commerce and Industry, the Office of Industrial Development, and the Ministry of Science and Technology.

This year (1978) the government will select approximately 100 small-and-medium-scale industries in 8 different fields with good growth potentials as "model" enterprises and help them grow and compete successfully with large-scale enterprises. To this end, the government also plans to revise the relevant laws and regulations that govern the relationship between large-and small-scale industries. The government also plans to complete an in-depth survey of some 1,000 small and medium-scale firms, and select 140 of the firms surveyed for special technical aid firms. The Office of Industrial Development in cooperation with KORSTIC and KIST will play a key role in these programs, In addition, the National Federation of Medium Industry Cooperatives may be a vital linkage agency.

II. Country Experiences in Entrepreneurship Development Programs

- I. Industrial rationalization have been carried out in a systematic manner to further consolidate the base for international competitiveness. Investment in the industrial sectors that have a relatively high competitive advantage have been stimulated and they have received additional tax incentives and financial support.

The government also intends to guide individual industrial firms to maintain adequate and up-to-date facilities and production procedures. The light and the small and medium industries in particular have been urged to replace their worn-out machinery and to improve their financial structure. The strengthening of the system under which investment projects are subject to a prior screening and the development of an industrial information gathering system are two major tasks to be implemented this year.

Investment in the fields of machinery and electronics, which have a competitive advantage in the world market, will be encouraged. In order to foster the machinery industry, heavy emphasis will be given to the development of such key products as major electric appliances, oil pressure gauges and machine tools. The construction of integrated machinery plants will be expedited, and concentrated support will be given to the construction of small and medium-sized, specialized machinery plants. In the electronic machinery industry, parts and appliances for industrial use will be developed to improve production structure.

2. To lay emphasis on cultivating the specialized small and medium sized industry the government has set criteria for selecting specific small and medium scale machinery industries. According to the criteria the number of 122 industries were designated from 1976 through 1977 and more than 100 industries, will be nominated this year. The preference over the financial support, technical consultations and the occupation of the house in industrial complex will be prepared for the designated industries by the government.

The objects of designations are as follows:

- (1) Designated items among the specific machinery industries.
 - (2) Basic machinery industries; heat treatment, surface treatment and powder metallurgy.
 - (3) The fields of materials, precision machinery and metal goods.
 - (4) The elements of electronics.
 - (5) Appliance for agricultural machine.
-

3. The National Federation of Medium Industry Cooperations has been providing the industries facing problems in management with the regular consultations in various fields of industry.

Some special consulting organizations are as follows:

NFMIC - for the guidance of technical managerial problems

KIST - for technical problems

KORSTIC - technical information

KSA - for the standardization and quality control problems

IESC - for managerial problems

TIC - for technical problems

NFMIC - National Federation of Medium Industry Cooperations

KIST - Korea Institute of Science and Technology

KORSTIC - Korea Scientific & Technological Information Center

TIC - Time Instrument Center

IESC - International Executive Service Corporations

KSA - Korea Standard Association

TABLE 3
Appropriation for Technical Improvements

	Unit: %		
	1974	1975	1976
Facilities for Research Test	34.6	40.6	47.8
Foreign Experts Invitation and Technical Tie-up	41.4	33.4	26.0
Employee Training in Foreign Countries	11.6	16.5	11.1
Compilation of Technical Information	9.4	8.5	14.2
TOTAL (one million won)	100.0 (2.708)	100.0 (2.551)	100.0 (3.707)

The investment in the technical development of the small and medium sized industries are as follows: (Table 3)

The table indicates that the investment in an invitation of the foreign experts, a technical tie-up and the employee training falls off but the investments in R & D and the acquisition of the technical information are increased.

- (5) Among the results of the government's policy to cultivate the small and medium-scale industry, one of the most prominent accomplishments is the development and the soundness of the new-community factory.

The status of new village factory operations and the effect of establishment of the factory are shown in the following tables:

TABLE 4
The Status of New Village Factory Establishment
and Operation

Number of Designated Factories	Under Construction	Completion		
		Total	Under Operation	Under Suspension
517 (100)	80 (15.5)	437 (84.5)	424 (82.0)	13 (2.5)

NOTE: (1) The results are up to December 1977.

(2) The numbers in parenthesis are composition ratios.

Source: The Ministry of Commerce and Industry.

TABLE 5
The Effect of the Establishment of
New Village Factories

Unit: One million won				
	Number of Employee	Contribution to the Income of Farmers	Production	Export (unit: 1000 US\$)
1973	17,030	1,454	9,940	23,498
1974	22,450	4,335	25,703	56,963
1975	33,561	9,776	55,287	87,132
1976	43,874	20,006	118,748	182,057
1977	60,572	31,715	212,804	311,250
TOTAL	-	67,286	424,482	653,000

Source: The Ministry of Commerce and Industry

III. SPECIFIC RECOMMENDATIONS

Korea Scientific and Technological Information Center are contributing to the development of small and medium-scale industry by providing the industries with the technical information.

As shown in Table 3, industries in Korea have a tendency to set up their own laboratories or strengthen the activities of the laboratories which were already established. so the technical and the managerial information would be urgently needed to meet the problems they face when they are operating the laboratories.

Meanwhile, the information distributed by the information center are too difficult or too subdivided for small and medium-scale industries to understand.

In order to overcome this barrier, it is necessary to set up a specialized information center interpreting the difficult information into an easily understood information. I would like to recommend that the TECHNOnet ASIA take the initiative in proposing the establishment of the information center with special functions.

ENTREPRENEURSHIP IN MALAYSIA
A Country Paper by Md Tajudin b Md Alias, MARA Malaysia

I BACKGROUND INFORMATION (LOCAL)

1. National objectives and/or rationale for the development of indigenous entrepreneurs and industries.

Industry and business activities are two significant parts in the economic development of a country. Participation in these fields indicate one of the major steps taken towards achieving the goals of the New Economic Policy of Malaysia - whose main objective among other things, is to restructure its society, so as to truly reflect the society of Malaysia. To assist in realising this objective, MARA through the Advisory Services and Enterprise Development Division launches a scheme known as the Entrepreneurial Development Programme (EDP).

EDP, as a national policy, is a relatively new phenomenon in Malaysia, having commenced only during the Third Malaysia Plan when the needs of a growing and developing economy began to be felt more keenly. Prior to these years, the climate was hardly conducive to an aggressive promotion of entrepreneurial activity, and to a large extent, this may be traced to the country's historical experience during the colonial era.

Historical Perspective

The period under British rule, for instance, was characterized by a subsistence level economy which gave little impetus to the establishment of industrial enterprises. The demographic position of the Bumiputra (indigenous people) is a striking illustration of the fact that, along with a rapid increase in the indigenous people of South East Asia, there has been in some cases an even more rapid increase in other Asian elements of the population. The presence of these elements has created the difficult economic and political problems of the 'plural society', problems which have been especially acute in South East Asia. Chinese and Indian immigrants were attracted to most South East Asian countries (and Malaysia was no exception) by the opportunities for material advancement. The

indigenous peoples of Malaysia in general should little desire to compete for the prizes offered by this new world. They shared indirectly, in varying degrees, in the general increase of material prosperity, but they did so for the most part in their traditional role as subsistence agriculturists. They left direct participation in industry and commerce to immigrant Chinese and Indian, better equipped for success in a competitive money economy by their experience of the struggle in their own homelands. For this reason, the new economic forces and incentives introduced from the west resulted in a violent disturbance of the social and economic balance of Malaysia. They attracted new immigrants to the region, and at the same time they had the effect, broadly speaking, of creating a cleavage between the indigenous and the immigrant.

The inability of the indigenous community to meet expectations is closely allied to a number of reasons the most significant of which is perhaps the Bumiputra's basic orientation towards an agricultural economy. As explained, the Bumiputra's historical experience gave him little opportunity to go beyond the idyllic, rural type of life that was essentially made for a subsistence - level economy and only by force of the 13th May incident *, was he impelled to adjust to the needs of a dynamic and modern government.

2. Organisations involved in E.D.P.

In Malaysia five organisations are involved in the creation of entrepreneurs. They are:-

- 1) The Council of Trust of the Indigenous People - (MARA)
- 2) Ministry of Youth, Culture and Sports (KKBS)
- 3) Smallholders Rubber Advisory Services Authority (RISDA)
- 4) Ministry of Defence (MD)
- 5) National Productivity Centre (NPC).

Together these organisations have a set target of training 17,500 Bumiputras in the period 1976 - 80. Efforts to achieve this aim are coordinated by the National Joint Committee of EDP. The National Joint Committee also operates at the state level.

* A racial riot resulting from the social and economic imbalance of a plural society.

Its objectives are as follows:-

- a) to train 17,500 Bumiputras who have the desire to be entrepreneurs.
- b) to create 2,187 Bumiputra entrepreneurs by 1980.
- c) to upgrade existing Bumiputra entrepreneurs.

The brunt of these efforts are in the hands of MARA. The Ministry of Youth largely concentrates on the participation of youth in business. RISDA sponsors people who are traditionally employed in agriculture i.e. those who came from the rubber smallholders community. The MD cooperates by sending those veterans who are on leave prior to retirement to the EDP courses. The NPC, basically a training institute coordinates training efforts.

II. COUNTRY EXPERIENCES IN ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES

Promotion of Indigenous Entrepreneurs and Enterprises;

As a result of the need to 'restructure society' Malaysia can be said to belong to the group of countries like Indonesia for example which has a fairly great desire to promote entrepreneurial activities.

Promotion of entrepreneurship by the government especially in the Bumiputra sector, can be seen in government incentives such as training courses for potential entrepreneurs, credit loans, advisory services, industrial research etc. all through the various government bodies.

The objective of trying to put the Bumiputra's into the commercial and manufacturing sectors of the community is presently far from satisfactory. Many reasons can be attributed to this. Many of these causes are linked to one another but the main reason is no doubt due to the fact that Malaysia do not have enough Bumiputra entrepreneurs either in quantity or quality. Up to this point in time the government through its agencies lay emphasis on creating an Entrepreneurship Climate - the provision of credit facilities, places of business, opportunities etc. Facilities and policies alone cannot guarantee the creation of entrepreneurs.

Before elaborating on the different aspects of the MARA programme it is important to describe the type of entrepreneur which MARA is attempting to assist. In virtually all instances MARA deals with entrepreneurs who can be described as "small" in the real sense of the word. Such entrepreneurs have generally a technical skill, be it through traditional channels (father-to-son) or through on-the-job training received as an employee in a factory. In some instances such training was received through a technical training institution. They will often have started some small venture within their field of technical competence, operating from domestic and non-permanent premises. A certain number of entrepreneurs have been operating as traditional crafters, while still others were employed in foreman capacities and joined a colleague to start a small industry in partnership.

It is this type of entrepreneur for whom MARA designed its programme of assistance. It is important to stress that virtually no local entrepreneurship of a more elevated level than that described above existed in Malaysia when MARA commenced operations. The relatively large number of bigger industries operational in Malaysia were invariably in the hands of non Bumiputra interests.

Some years ago extensive research was started in the field of small-scale industrial development. It was found that there was substantial "Pool" of local skills in certain industrial activities which had to date remained dormant. It was also found that clear market opportunities existed for certain production lines which could be manufactured by these entrepreneurs, while locally available raw materials could be utilised in certain instances. As such MARA through the Advisory Services and Enterprise Development Division has a declared policy of trying:-

- a) To assist with the establishment of fully viable enterprises owned and managed by Bumiputra entrepreneurs.
- b) To create new employment opportunities in both urban and rural areas.
- c) To assist with the establishment of enterprises using locally available skills and, where possible, locally available raw materials.

- d) To realise a more equitable distribution of income, in particular between the urban and rural areas.
- e) To increase the degree of direct participation by Bumiputra entrepreneurs in the industrial and commercial development of Malaysia.

It was found that the only effective way of realizing these aims was to design a programme of assistance for the small entrepreneurs that would cover every area which had proven to retard their development. As such each element of assistance is an essential requirement, and the omission of any one of these elements is likely to result in an unbalanced programme and distorted results. For example, the provision of financial assistance without management assistance would be a complete waste of effort and scarce funds, as would be machinery and equipment procurement without technical assistance to teach the use of such machinery and equipment.

2. Identification and Selection of Entrepreneurs and Types of Projects

Identification of Entrepreneurs

It is envisaged that the 17,500 Bumiputras for our EDP's would come from the following categories of the community:-

(i)	Those skilled and semi skilled personnel now employed in the private sector	2,000
(ii)	Those who have acquired technical and commercial skills from vocational schools, polytechnics, etc.	3,000
(iii)	Those retired members of the Armed Forces	2,000
(iv)	Those 'first timers' who are desirous to start their own businesses.	4,500
(v)	Those existing small businessman who could be upgraded or those who desire to expand their businesses.	6,000
Total to be trained		<u>17,500</u>

It would be noted that the training of entrepreneurs is almost entirely by the government. There is little participation by the private sector in this field.

Seclection of Entrepreneurs

As mentioned earlier the number of potential Bumiputras to be trained numbers 17,500. Because of this very large number Malaysia has not been utilising or developing any psychological instrument to select entrepreneurs except for a simple interview based on the known personal traits of entrepreneurship.

The year 1978 saw a change in this. MARA has begun using non-verbal tests which are expected to yield cues or information based on past or present behaviour from which dependable predictions can be made as to know how the entrepreneur will react in the future.

Through research and experimentation carried out MARA hopes to design several approaches to help select entrepreneurs in the near future.

They include

- * the use of research into the values and attitudes of the indigenous work force, in order to build an accurate profile of what constitutes entrepreneur qualities and characteristics.

This is because the present profile used is certainly not 'Malaysian'.

- * the use of Assessment Centre Technique to help identify if these qualities and characteristics are in the people being considered for entrepreneurship projects.

o) Types of Projects

Numerous assistance programmes are being planned and implemented. MARA will help the new entrepreneur in virtually any business venture with the exception of farming as it is well catered for by other agencies. We do however help agro-based industries as well as trading in farm produce.

Experience however indicate that the assistance often required from MARA are from those types of projects indicated in Appendix 'A'.

3. TRAINING AND DEVELOPMENT; COURSE COMPONENTS AND TIME TABLE

Training and Development

Creating entrepreneurs has become an integral part of the programme for small enterprise development in Malaysia. These programmes are based on different conceptual understanding of the entrepreneur. Briefly these positions can be stated as follows:-

- (i) Entrepreneurship is a matter of nature, nurture and culture. That is to say, there may be some inherent qualities of entrepreneurship in individuals, but many others can be developed through appropriate changes in the environment - an entrepreneurial culture can be developed to nurture entrepreneurship.
- (ii) An entrepreneur is built around a man. This would mean that with proper selection techniques and procedure candidates can be selected and given appropriate doses of training inputs to develop them.
- (iii) Entrepreneurship development programme should have clearly defined limited objectives to impart training on questions such as (a) what do entrepreneurs do and (b) how do they do it.

The Malaysian EDP contain many of the above observations. The underlying thinking and philosophy which governs the structure content and design of such programmes is based on several researches on the characteristics of entrepreneurs and in relation to the training programmes can be stated as follows. For an individual to make a success of himself in an industrial or business venture, he requires:

- (i) a fairly high degree of entrepreneurial ability:
- (ii) an awareness of profitable opportunities in business or industry:
- (iii) information about facilities, incentives, assistance and concessions available from governmental and non-governmental agencies for establishing his venture:
- (iv) reasonably good knowledge of or familiarity with management tools and techniques and
- (v) supporting facilities and services from agencies responsible for promotion of small business or industry. It will be appreciated that the starting point in his path towards an industrial or business career is, of course, the basic entrepreneurial inclination and competence.

The Malaysian E.D.P. is conducted in three phases as follows:-

(i) E.D.P. I

Phase I of the EDP course would motivate prospective entrepreneurs to begin their own businesses and impart specific business knowledge needed by small businesses of all types including:-

- a. The concept of risk-taking
- b. Specific information about business opportunities
- c. Information about the market and marketing
- d. Information about records and record-keeping
- e. Experience in developing a project paper
- f. Information regarding financing a new business

STUDENT PROFILE, Phase I Training

The students in EDP I courses have varying backgrounds of education, training and experience. It is not expected that many will have business training or experience, so EDP I training is on the very basic level. Students come from the following groups -

- (1) Mature students with some skill or administrative training. This group includes those some from the military and government services.
- (2) Employed, technically trained individuals. These students may be trained in automobile mechanics, radio, TV repairing, tailoring, or other skills. Their education level is below university entrance level.
- (3) Unemployed, technically trained individuals. These students have the same training as (2) above, but have not any practical experience in their skill.
- (4) Unemployed, unskilled individuals. These students have not been trained for a skill and have no useful job experience. They are expected to represent a small percentage of the participants in EDP I.

If current trends continue, it is expected that most EDP I participants will come from groups (1) and (3). Students who have the qualities needed to own and operate a business are encouraged during EDP I to develop plans for their business.

<u>DAY</u>	<u>SES.</u>	<u>COURSE OUTLINE</u>	<u>SUBJECT</u>
MONDAY (8.30 - 5.30)	1.1	Introduction, self Analysis, Motivation	
	2.2	Goal-Setting and Risk Taking	
TUESDAY (8.30 - 5.30)	3.	Business Game - risk and reward	
	4.	Finding a Business Opportunity	
	4P	Selecting a Business (PROBLEM)	
EVE. (8 - 10)	4P	Problem (Continued) Success Story No. 1	
WENESDAY (8.30 - 5.30)	5.	The World of Business (The Environment)	
	6.	Who are the Customers?	
	6P	Your Customers and Business Environment (PROBLEM)	
THURSDAY (8.30 - 5.30)	7.	Selecting a Good Location	
	8.	Products and Services of the Firm	
	9.	Pricing the Product or Service	
	9P	Determining Place, Product and Price (PROBLEM)	
FRIDAY (8.30 - 5.30)	10.	Promotion and Display Success Story No. 2	
	11.	Selling Techniques; Sales Demonstration	
	11P	A Sales and Promotion Plan (PROBLEM)	
SATURDAY (8.30 - 5.30)	12.	Need for Good Record-Keeping in Business	
	13.	Introduction to Record-Keeping; Inventory	
	13P	Record-Keeping Problem	
MONDAY (8.30 - 5.30)	14.	Keeping Simple Business Records	
	14P	Workbook Success Story No. 3	
	PP1	Introduction to Project Paper-Planning	
TUESDAY (8.30 - 5.30)	15.	Statements: Profit and Loss, Balance Sheet	
	15P	Workbook	
	PP2	Project Paper - field study	
EVE. (8 - 10)	16.	Financing the New Business	
WEDNESDAY (8.30 - 5.30)	17P	Keeping Company Records (WORKBOOK)	
	PP3	Project Paper - field study	

THURSDAY

(8.30 - 5.30) 18. Budgeting and Cash Planning
18p Problem in Budgeting
PP4, Project Paper - preparation

FRIDAY

(8.30 - 5.30) PP5 Project Paper - presentation

EVE. (8 - 10) 19. Critique and evaluation, goal setting

SATURDAY

(9.00 - 11.00) 20. Course Closing and award of Certificate
of Attendance.

E.D.P. II

It is the purpose of the course EDP II to provide essential business training to Bumiputra entrepreneurs who have completed the EDP I course and who have experience as an owner-entrepreneur. Applicants are screened carefully as only a limited number can be accommodated in the course. Enrollment is by invitation only.

The course EDP II prepares a participant to manage a business that is viable and profitable, giving special training to overcome weaknesses that the participant can identify. The course begins with an analysis of the needs of participants and the subject-matter covered in the courses will reflect the individual needs of participants. EDP II is a "how-to-do-it" course, giving each participant information and ideas which can be put to work immediately.

Admission Requirements: There are three requirements for admission to the EDP II course: (1) completion of EDP I course, (2) ownership and operation of a business enterprise; and (3) the nomination by MARA to the course. Classes are limited in size and only well-qualified applicants will be nominated to attend.

Course Schedule and Venue: EDP II is a 60-hour course consisting of a 12-hour seminar and 48-hours of specialized training. The schedule for the standard (residential) course is:

12-Hour Seminar

48-Hour Specialized Training

SATURDAY - 8:00 to 6:00 (9 hours) MONDAY - FRIDAY - 8:00 - 6:00(45 hrs.)
 SUNDAY - 9:00 to 12:00 (3 hours) SATURDAY(Closing) 9:00 - 12.00(3 ")
 Total time for course: 8 days.

COURSE CONTENT:

Depending on the needs of the participants as determined in the 12-hour seminar, 48-hours of instruction (Four Courses) will be selected from the following subjects. No other subjects are planned at this time.

<u>SUBJECTS*</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
Accounting and Finance (A)	12	Development of an accounting system
Accounting and Finance (B)	12	Using accounting information for control.
Advertising and Display (C)	12	Developing good promotion plans
Salesmanship (D)	12	Improving sales technique
Retail Store Operation (E)	12	Study of Problems of retail store
Project Planning (F)	12	Preparing a plan and submit to financier.
Purchasing and Stock Control(G)	12	Selecting goods, sources, quantities.
Credit Practices and Policies (N)	12	Plans to reduce credit losses.

E.D.P. III

OBJECTIVES:

The course EDP III is designed to provide small business owners with skills beyong EDP II. The course is planned for individuals who have completed EDP II and have a year or more of business experience. The course would provide assistance in planning expansion, in solving current problems, and improving management skills.

COURSE DESCRIPTION

This course is designed for the business owner who wants his firm to grow and be more profitable. Competitive marketing strategies are developed to include pricing of goods or services, product or merchandise line planning, and planning effective advertising and promotion. The course is practical and participants will develop specific plans for their own business firms. Participants will be expected to develop the marketing concept for their firms and to use marketing to increase sales and profits.

ADMISSION REQUIREMENTS:

Applicants should have completed at least one year as owner/manager of a business. Preference will be given to applicants who have completed EDP I and EDP II.

SCHEDULES: (30 hours of instruction for EDP III)

	<u>Standard Residential</u>	
FRIDAY	8 hours	(8 AM - 12; 1.30 - 5.30)
SATURDAY	8 hours	
SUNDAY	6 hours	(10 AM - 12; 1.30 - 5.30)
MONDAY	8 hours	

SUPPORT SYSTEM

In Malaysia, the early emphasis of support system was on initiating discriminatory policies and developing a financial institution.

The latter was based on the view that money constitutes the main bottleneck in the process of development. As a result of this the Rural and Industrial Development Authority was formed which was subsequently re-named MARA. Over time it began to be realised that the process of development required a more comprehensive approach to the support system. Presently, therefore the MARA concept of support system has become broad-based and includes the following activities:

- (1) Developments of the infrastructure - industrial work sheds, power etc.
- (2) Financial support - fixed capital and working capital in terms of the category of entrepreneur.
- (3) Supply of critical raw materials and machinery on hire-purchase.
- (4) EDP for small industry business, trade or service organisation.
- (5) Counselling services during and after the training for entrepreneurship development.
- (6) Techno-economic support.
- (7) Management and technical training.

4. SUPPORTING SERVICES AND ASSISTANCE, MARKETING, TECHNICAL FINANCIAL, OTHERS, TECHNOLOGY TRANSFER.

Supporting Services Offered To Entrepreneurs Include the following:-

Common Facility Centre

The purpose of such a centre is to make available to the entrepreneurs machinery which the entrepreneur requires in order to improve the productivity of his industry, or the quality of his product, but the cost of which is too high or the projected daily use by the entrepreneur too low to make it economically worthwhile for the entrepreneur to acquire such machinery on his own account. It is, on the other hand, imperative that the entrepreneurs have access to such cost saving and quality control equipment if they are to compete successfully with the large-scale producers.

Marketing Assistance

One additional term of reference of MARA is to train the entrepreneurs to improve their marketing techniques. This type of assistance is eagerly sought by most entrepreneurs, probably because the input of their marketing effort seems to directly influence the size of their bank balance.

MARA's marketing effort does not however, stop there. The Marketing Officer ^{is} expected to liaise with Government departments, larger industries, and wholesale and retail outlets in order to ascertain their requirements for items which could be manufactured by MARA - assisted entrepreneurs, while he also looks out for export possibilities. He also assists the entrepreneurs with the organisation of displays at trade fairs and exhibitions, as well as with the preparation of sales literature, catalogues, trade marks, advertising, labels etc.

Machinery and Equipment Procurement

Without doubt the average Bumiputra entrepreneur's major constraint is limited financial resources. The problem confronting the small entrepreneur is only too well known; limited security prevents him from raising the necessary finance required for capital purchases considered essential for efficient production and hence a competitive final product. As a result the entrepreneur operates

with few or outdated machines, too little working capital, and without normal credit terms from suppliers. This state of affairs by definition prevents the entrepreneur from operating an efficient and profitable establishment. In order to help the entrepreneur overcome these problems MARA provides access to certain types of financial assistance.

Firstly, a so-called machinery and equipment lease-purchase scheme has been established. Under this scheme the entrepreneur can apply for certain equipment and/or machinery which he considers essential to the efficient operation of his industry, but the capital cost of which cannot initially be met by the business. His application is invariably accompanied by an evaluation of the need for and the suitability of the machinery or equipment requested. Once the application is approved the machine is purchased in the name of MARA is 'rented' to the entrepreneur. As soon as the total of the rentals plus interest equals the original purchase price of the machine the entrepreneur will have the opportunity to purchase it for a nominal sum.

Throughout the rental period the machine remains the legal property of MARA. Upon default in rental payment the machine can therefore be withdrawn immediately from the entrepreneur. The security of the financial assistance lies in the machine itself. The element of risk attached to this type of financial assistance is reduced further because the applicant will invariably purchase an 'immovable' machinery.

Purchase of Raw Materials

The second type of financial assistance available to MARA assisted entrepreneurs is procurement of raw materials.

There is no doubt that the average small entrepreneur has serious problems in obtaining raw materials in bulk and at reasonable prices and credit terms. He is unlikely to have achieved sufficient status in the eyes of his suppliers to be extended credit, nor does he have the cash to buy in quantity and therefore at reduced prices. The entrepreneur is forced to buy on a hand to mouth basis, which invariably means at retail prices, as and when he needs some materials for a day's production. High raw material prices will obviously affect the competitiveness of his final product negatively.

Under this Scheme purchases of raw materials in bulk are bought at the most competitive price and terms possible stores such materials and re-sells in smaller quantities to the entrepreneurs. A good example of a bulk buying scheme is the one catering for the batik industry where MARA supplies the white cloth, chemicals and waxes.

Loans for Working Capital

The third and final type of financial assistance provided by MARA is loans for working capital. Such loans are kept to a minimum, however, as the entrepreneur himself is expected to be able to provide most of the cash required to cover his day-to-day expenses, in particular when the other forms of financial assistance have been made available to him.

Technical and Management Training

The aim of the technical training is to upgrade the entrepreneur's technical ability, thus enabling him to manufacture a better, cheaper or different product than he was able to manufacture before. The A.S.E.D. of MARA is not a training institution as such. It will assist the entrepreneur to improve his technical ability, not to get him a certificate or diploma. This training is carried out to the largest degree possible in the entrepreneur's own workshop, using his own tools. The emphasis is on convincing the entrepreneur that new ideas and techniques are valuable, rather than impose the expert's will on the entrepreneur. Undertaking practical in-workshop demonstration sessions, in which the expert works physically together with the entrepreneur, do not only yield the best results, but also ensures that a relationship of confidence and common destiny is built up between the expert and the trainee. Needless to say that technical training must be directly relevant to each entrepreneur's specific business activities and problems. Theoretical class-room type technical training is kept to the very minimum, although some facilities for such training are available. Any theoretical technical training undertaken is in the form of three or four hour courses, each course dealing with one particular technical matter. This is at once followed up with in-workshop implementation of the theory taught.

Of even greater importance than technical training is the A.S.E.D. management training programme. Virtually no small entrepreneur has a command over even the most rudimentary management functions. Indeed, most entrepreneurs consider such matters as bookkeeping, pricing, and business correspondence unnecessary and irrelevant aspects of their businesses. At the same time, however, there is no doubt that their minimal management know-how is the cause of most of the entrepreneurs' financial problems or even bankruptcies. It is obvious that no entrepreneur can progress unless he is able to calculate the cost and price of his product, keep the most elementary accounting system, is acquainted with the most important taxation and labour laws of his country, and can use a bankbook and read a bank-statement.

1.2 New Entrepreneurs

New Entrepreneurs Scheme

The aim of this scheme is to create and establish new entrepreneurs from amongst Bumiputras who have shown entrepreneurial interest, skills in technology and management to enter the fields of commerce and industry on a full time basis or as a permanent means of income. Priorities are given to the manufacturing sector, agro or wood-based and other light manufacturing industries and the ancillary service industries which are in technical form.

In short the role played by MARA under this programme is as follows:-

- (a) To identify future entrepreneurs, from amongst Bumiputras who are qualified and have potential and interest in participating in industry as mentioned above;
- (b) To carry out research to determine the fields or types of projects that can be carried out by those selected as a viable industry.
- (c) To assist the selected entrepreneurs with facilities such as feasibility studies, planning and project preparation.
- (d) To provide overall assistance which includes advisory services, training, technical assistance and working capital (soft loan) to implement the projects.

The rationale for offering this scheme to new entrepreneurs rests on the belief that motivation alone cannot create entrepreneurs.

Training has to be supplemented by a 'package deal' for otherwise our first timers in business would tend to postpone their proposed business ventures and thus may never start their new establishments.

5. EVALUATION RESULTS OF EDP'S

The implementation of the Malaysian EDP began in June 1976. Progress the scheme carried out so far are attached as Appendix B.

The average percentage of new entrepreneurs created over the period 1976 - 7 is 13.75% which is far from satisfactory. Our aim is to achieve a target of 2187 in physical numbers.

A review of our programme so far indicates some interesting things. We have some 3097 ex-trainees to look after during the period under review. It is felt that with a more through and systematic follow up and a more dynamic back up services we would be able to achieve greater success. We also believe that given a longer period of time than the present average of six months lead time to start a business we would achieve a higher percentage of creation.

For those already in business the general tendency is for these entrepreneurs to:

- (a) increase their sales
- (b) increase their profit margin
- (c) have a better management system
- (d) increase workers
- (e) have a more positive attitude towards their businesses.

III. SPECIFIC RECOMMENDATIONS

.. MARA'S Action in EDP

Admittedly the activities and achievements of MARA has received some commendation and while it is difficult to qualify the results a distinction should be made in so far as MARA's action is needed so as to achieve a higher percentage of returns.

It seems to the writer that there are specifically two areas for MAMA's immediate action i.e. in the training programme and its support systems.

Briefly they are summarised as follows:-

TRAINING

<u>PROBLEM</u>	<u>ACTION NEEDED</u>	<u>RATIONALE</u>
1. In appropriate participants	- a more aggressive promotional campaign aimed at other sectors of the community. - a more effective selection system needed	- so as to save valuable time and money.
2. Not enough trainers and extension officers to do the follow up.	- employ more staff	- so that the training programme will not be hindered and a more systematic follow-up service could be carried out.
3. Business Opportunities	- carry out studies - create a Data Bank/ Information Centre on business intelligence activities.	- to create a motivating stimulus.

Of the three, there need to be much improvement in the selection of participants which is at present feared being done in discriminately and without much thought.. Often participants from different levels are lumped together and thrown in a course. The attendant benefits are believed to be negatived due to the inability of communicating or exchange of ideas over common problems.

Support Systems

The working of the support system and their style is a very crucial element in the eventual success of the trainee or the entrepreneur seeking advice. It is not unlikely that

Divisions in MARA develop a beaurocratic stance which is at times inflexible and incapable of taking quick decisions. It is thus felt that the personnel of these Division should also be exposed to entrepreneurial development so that their management and day to day working partake of an entrepreneurial view of problems, and their solutions.

2. For Collaboration Among Pos

In order to intensify entrepreneul development activities in the region it is proposed that an Association of Technonet Trainers of EDP be formed.

This Association will focus on two very important objectives. The first being to improve trainer services in each P.O. and to encourage and facilitate a cooperative and coordinated approach in EDP ~~work~~ between the countries. This will be done by stimulating the exchange of ideas, problems and practices of mutual concern so that each will benefit from the experiences of the others. The second objective is to develop an 'expert de corps' among EDP trainers and possibly foster greater recognition of their work and profession through the formation of an Asian Association.

After the Association has been functioning for say three years it is hoped that Technonet will be in a position to start an Entrepreneurul Development Centre whose aims would be to gather and compile data, publication, and dissemination of information research findings, studies, etc on E.D.P. activities. The production of such materials will enlarge the experience and talents of PO's. These materials will then be incorporated in training programmes and be made available to trainers/practioners of EDP.

Conclusion:

The subject of EDP has now assumed considerable importance in the priorities of P.O.'s who now recognize that it has fundamental importance in any progress towards a more equitable distribution of income and national development. MARA regards this workshop as a timely occasion in the search for pragmatic solutions in EDP's.

Developing entrepreneurs involves several areas of social and economic life of a community. Thus EDP's must necessarily be geared for development of entrepreneurs from one stage to another. While the MARA effort has to a certain extent increased entrepreneurs there is still much to be desired. Entrepreneurship is a relatively new area of study and much is yet to be learned. It is only through experimentation and continuous efforts towards improvement, and cooperation among P.O.'s making in the same field that greater productivity will be achieved.

MTMA/za.

24/5/1978.

TYPES OF PROJECTASSISTANCE REQUIRED BY EDP PARTICIPANTS

	<u>1976</u>	<u>1977</u>
<u>Services</u>		
1. Petrol Station	1	-
2. Mechanic/TV & Radio Workshop	5	9
3. Restaurants	14	23
4. Sundry (retail) business	20	31
5. Stationery/Books	8	1
6. Travel & Insurance	2	-
7. Chinaware/Crockery	-	1
8. Beauty parlours	-	1
9. Building Contractors	3	4
10. Housing Development	-	4
11. Fishmonger's	-	1
12. Commercial Schools	1	1
13. Petty Trading	-	10
14. Others	2	3
<u>Manufacturing and Processing</u>		
1. Tailoring	27	12
2. Photography	4	1
3. Furniture making	3	2
4. Bamboo Handicraft	-	2
5. Rice Milling	-	2
6. Meat Floss	-	2
7. Curry Spices	-	16
8. Tobacco	-	1
9. Prawn Crackers	-	2
<u>Others</u>		
1. Rubber Trading	-	2
2. Animal Skins & Hides	-	1
3. Rice Trading	-	1
4. Agricultural/Husbandry	1	4
5. Others	-	3
	<hr/>	<hr/>
	91	140
	====	====

MALAYSIAN EDP FOR PERIOD
1976 - 1977

STATE	NUMBER OF COURSES		PARTICIPANTS						CREATED	
			TOTAL		IN BUSINESS		NOT YET IN BUSINESS			
	1976	1977	1976	1977	1976	1977	1976	1977	1976	1977
Perlis	1	5	20	117	11	34	9	83	4	18
Kedah	2	11	51	304	22	123	29	181	10	20
Pulau Pinang	1	7	27	184	12	78	15	105	5	9
Perak	1	12	26	291	13	115	13	176	5	10
Selangor	5	11	122	263	18	87	104	176	-	-
W. Persekutuan	9	12	223	308	39	116	184	192	37	26
N. Sembilan	1	7	29	155	17	62	12	93	4	10
Melaka	1	8	23	203	9	74	14	129	-	8
Johor	3	11	66	289	25	126	41	163	14	13
Pahang	1	9	22	229	14	99	8	130	1	1
Trengganu	1	10	29	240	9	93	20	147	6	13
Kelantan	1	11	23	284	17	122	6	162	5	11
Sabah	-	4	-	112	-	32	-	80	-	1
Sarawak	-	2	-	57	-	12	-	45	-	-
T O T A L	27	120	661	3036	206	1174	455	1862	91	140

ITMA/za.

24/5/1978.

Note1976

VIII

1. Percentage of Entrepreneurs Created	=	$\frac{91}{455}$	x	100%
	-	<u>20%</u>		

2. Types of Business started

a) Services	i) Petrol Station	1	
	ii) Workshop	5	
	iii) Restaurants	14	
	iv) Sundry	20	
	v) Stationery/Books	8	
	vi) Travel/Insurance	2	50
		<hr/>	
b) Manufacturing & processing	i) Tailoring	27	
	ii) Photography	4	
	iii) Furniture	3	
	iv) Others	2	36
		<hr/>	
c) Others	i) Construction	3	
	ii) Private Schools	1	
	iii) Agriculture/Husbandry	1	5
		<hr/>	
T O T A L			91
		<hr/>	
		=====	

$$\begin{aligned}
 1. \text{ Percentage of Entrepreneurs created} &= \frac{140}{1862} \times 100\% \\
 &= 7.5\% \\
 &====
 \end{aligned}$$

2. Types of Business started

a) Services	i) TV & Radio Repair	2	
	ii) Workshop	7	
	iii) Restaurants	23	
	iv) Sundry	31	
	v) Stationery	1	
	vi) Crockery	1	
	vii) Beauty Parlour	1	
	viii) General Contractors	4	
	ix) Housing	4	
	x) Fish Mongors	1	75
		<hr/>	
b) Manufacturing	i) Tailoring	12	
	ii) Bamboo Handicraft	2	
	iii) Photography	1	
	iv) Furniture making	2	
	v) Rice Mill	2	
	vi) Meat Floss	2	
	vii) Curry Spices	16	
	viii) Process of Tobacco	1	
	ix) Manufacturing of Prawn Crakers	2	40
		<hr/>	
c) Others	i) Purchase of Rubber Sheets	2	
	ii) Purchase of Animal Hides	1	
	iii) Rice Purchasing	1	
	iv) Purchase of Coffee Beans	1	
	v) Poultry Farming	2	
	vi) Private Schools	1	
	vii) Agricultural Nursery	1	
	viii) Services	13	
	ix) Others	3	25
		<hr/>	

T O T A L

140

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EDP Trainers Mini-Workshop
Manila, 1 - 6 June 1978

"YOUTH IN BUSINESS PROGRAMME
IN MALAYSIA"

1. CONCEPT

Industry and business activities are two significant ingredients in the economic development of a country. The participation of a youth in these fields indicates one of the major steps taken towards achieving the goals of the New Economic Policy of Malaysia - whose main objective among other things, is to restructure its society, so as to truly reflect the society of Malaysia. To assist in realising this objective, the Ministry of Culture, Youth and Sports launched a programme known as the "Youth in Business Programme" or RBB in short.

The ultimate aim of RBB is to increase the number of youth involved in business activities, particularly in their own environment and in new towns created by developing territories under the National Development Programme. The time is, therefore, ripe for our youth to consider business activities as a source of income, relying greatly on their already acquired skill and their agro-based products that could be put out for sale. The implementation of this programme (RBB) will definitely involve the youth movement directly and will act as a catalyst to ensure the success of RBB projects. In this way, it will attract more youth who have had no business movement and will also project its image as an organization that promotes business activities, through which the youth are able to satisfy their desire to improve their standard of living.

Likewise, RBB hopes to churn out more productive entrepreneurs who have had the required knowledge and experience in business and who have overcome all sorts of obstacles in their younger days. This sort of ability and experience will assist them in venturing positively into big concerns in future. RBB will inevitably become the means of communication between youth who are interested in business activities and the various government agencies which are responsible for the provision of business facilities to the people at large. RBB will also ensure that all these facilities provided by the Government through its agencies will be made known and within reach of all youth who have potentials in business ventures.

The success of RBB greatly depends upon the Officers of the Ministry of Culture, Youth and Sports at all levels and Government agencies such as MARA, UDA, PERNAS, State Economic Development Corporation, National Productivity Centre and the like. All these Government agencies have been founded in order to implement the New Economic Policy of this country.

2. OBJECTIVES

RBB hopes to achieve the following objectives:-

- (a) To encourage youth in business;
- (b) To prepare youth for business;
- (c) To guide youth in exploiting their technical know-how in business;
- (d) To create entrepreneurs among youth.

3. PARTICIPANTS

Participants are selected from the following categories of youth:-

(a) Youth that have acquired skill training under the Ministry's Training Programmes:

- (i) Youth Training Centre Dusun Tua;
- (ii) Youth Training Centre Peretak;
- (iii) On the Job-Training Programme;
- (iv) Other programmes that will be introduced from time to time.

(b) Members of youth organisations that run youth farm projects;

(c) Other members of youth organisations in general.

4. TYPES OF BUSINESS ACTIVITIES

RBB covers all sorts and types of business and industry. For youth in paragraph 3(a) above, emphasis is on the skills they are trained in, while others, will depend upon the existing opportunities available.

5. IMPLEMENTATION

RBB could be implemented through (a) Encouragement; (b) Preparation and (c) Guidance.

A. Encouragement - Youth are encouraged to indulge in business and industry through the following arrangements:

- (i) Through all opportunities that they can get;
- (ii) Through all existing facilities that they can get;
- (iii) Through examples from successful businessmen.

For this purpose, encouragement can be given through:

- (i) Seminar;
- (ii) Lectures;
- (iii) Individual explanation; and
- (iv) Publication.

B. Preparation - Youth that have been given encouragement and have the desire to start any particular business can be prepared through the following training:

(i) Skill - Ministry of Culture, Youth and Sports will provide training in certain vocational skills or industry by:

- (a) Recruiting youth for skill training through the Training Centres or through on-the-job Training Programmes;
- (b) Preparing short courses from time to time for certain skills;
- (c) Where skill training cannot be acquired by (a) or (b) above, arrangement is made for the Youth to have skill training through the various Government and non-government agencies.

(ii) Attitude and Interest - The curriculum of the Training Centres is such that it will change the Youth's attitude and arouse interest while others will be trained by courses that are conducted from time to time.

- (iii) Business Management - For youth who are in the Training Centres, training in business management has become a part of its curriculum while others will be trained through basic courses in business that are conducted from time to time at State and District levels.
- (iv) Practical Training - Not all youth are able to run a business after they have completed their skill training, particularly in the technical service. They are, therefore, required to equip themselves with the necessary technical training. For this purpose, all youth will be placed in workshops or shops that provide on-the-job Training.
- (v) Capital - Initial capital is acquired from the following sources:
 - (a) Self - Every member who is interested in running a business must make his own contribution - at least a part of the total capital required.
 - (b) Contribution from Association - Youth associations will be able to assist its members by providing monetary assistance initially.
 - (c) Loan - The Ministry through its Youth Guidance and State/District Departments of Culture, Youth and Sports will extend its services to youth in trying to secure their initial capital from financial institutions, including the preparation of their working papers.
 - (d) Ministry's Subsidies - The Ministry will also give subsidies to youth in the form of:
 - (i) Financial assistance through youth associations;
 - (ii) Subsistence Allowance for those under the on-the-job Training Programme;
 - (iii) Grants for renting premises

- C. Premises and Other Requirements - The Ministry, through its Youth Guidance Bureau and State/District Departments of Culture, Youth and Sports will look for premises, business (licence), permits and the like in its effort to promote Youth in Business.

The business premises can be arranged through the co-operation of UDA, MARA, local Government and the State Government Authorities.

Besides that, premises can also be rented from individual owners or private concerns.

The Ministry will assist youth in paying the rent for stipulated periods until they are able to stand on their own feet.

- D. Guidance - To ensure the success of the youth in business projects, he will be given guidance and supervision as follows:-
 - (i) Advisory Service and Supervision: Will be given through Guidance Bureau Officer who is specially recruited for this purpose and through other officers from the State/District Departments of Culture, Youth and Sports.
 - (ii) Advanced courses for Business Management, Salesmanship Accounting and Others: The State Department of Culture,

Youth and Sports will co-operate closely with MARA, PDPN, PERNAS EDAR, to provide advanced courses that are needed by the participants of RBB from time to time.

(iii) The occasional Publication of Books and Magazines.

6. SUPPORTING SERVICE

To ensure that the implementation of the said programme has its impact, the following steps need to be taken:-

A. Research on Opportunities in Business

This section will look into:-

- (i) Opportunities in existing business and industry that would appear in certain areas;
- (ii) Technical information with regards to certain business/industry association with (i);
- (iii) Facilities for premises, workers, transportation and others associated with (i).

B. Documentation and Records

The Youth Guidance Bureau and the State Department of Culture, Youth and Sports concerned, will record all the projects under RBB. This record will be in the form of documentation to provide information on:-

- (i) The number of youth involved in Business Projects;
- (ii) Date of implementation of projects;
- (iii) Initial capital;
- (iv) Expansion of project from time to time.

EXAMPLES OF BUSINESS/INDUSTRY PROJECTSBUSINESS SECTION:

1. Restaurant
2. Provision Shop
3. Tailoring
4. Boutique
5. Stationery
6. Laundry
7. Electrical Products
8. Photo Studios
9. Souvenir
10. Furniture Shop

INDUSTRY SECTION:

1. Traditional Handicraft
2. Foundry
3. Bricks and Cement Products
4. Agro-based Products
5. Carpentry
6. Plastic Products
7. Bakery

SERVICE SECTION:

1. Plumbing
 2. Commercial Classes
 3. Contract Work
 4. Motor Mechanics
-

APPENDIX "B"PROCEDURES REGARDING FINANCIAL ASSISTANCE BY THE
MINISTRY OF CULTURE, YOUTH AND SPORTS FOR YOUTH IN BUSINESS PROJECTS

1. Principles of Financial Assistance by the Ministry of Culture, Youth and Sports:

- 1.1 Financial assistance will be given as a supplementary (additional) to the total capital obtained from various resources and loans or where loans cannot be obtained, as an assistance to the present total capital available.
- 1.2 Financial assistance is to supplement the existing capital required to enable the proposed business project, and to help it to run smoothly and efficiently.

2. Viability Projects:

- 2.1 Financial assistance will be given to viable projects only.

Among the factors which specifies the viability of a project are:-

- (a) Seriousness of a youth in operating the proposed business project and his will to make the Project a success;
- (b) The structure of the management organization of the Project;
- (c) Ability, knowledge or experience of the youth or youths concerned in business management;
- (d) The suitability of the proposed business to the locality where the project is to be carried out.

2.2 To justify the viability of a project and to ensure that the project will run smoothly and efficiently, a Project Study has to be made by preparing a Project Paper. Format Appendix "C" can be used as a guide to make the Project Study and prepare the Project Paper.

3. Structure of the Management Organization:

3.1 Youth Business Projects will be set-up in one of the following business organization forms:-

- (a) Sole Proprietorship;
- (b) Partnership;
- (c) Company Limited;
- (d) Co-operative.

3.2 In considering the financial assistance, priority will be given to the youths who operate their business full-time and as their source of living.

4. Financial Assistance Channelled Through Youth Organization:

4.1 For a certain business project, financial assistance will be given to the youth organization or association where the youth concerned is a member. The youth organization or association which has been granted with the financial assistance will, in turn, loan the sum in full to the youth who undertakes the business project.

This loan will have to be paid back in instalments following simple conditions. The aim of this procedure is as follows:-

- (a) To get the youth organization or association involved in the implementation of Youth in Business Programme;
- (b) To develop and expand the activities of youth movements within the country;
- (c) To enable youth organizations and associations to be independent and survive on their own in this field;
- (d) To strengthen the sense of responsibility of the youth who receives the financial assistance and the will to succeed in business.

4.2 In line with Procedure 3.1 above, financial assistance for a proposed business Project will be given to youth associations according to the order of preference:-

- (a) Objectives which are listed in Procedure 4.1;

- (b) The ability of the youth organization to play an effective role in implementing the Youth in Business Programme especially in encouraging their members to start up business, guidance and supervision;
 - (c) The assurance of the recovery of the loan according to the agreement made between the association and the youth;
 - (d) The assurance that the Ministry of Culture, Youth and Sports officials at the State and District level would play a significant and effective role in the management of the financial assistance.
- 4.3 Every youth organization or association in accepting the financial assistance for the proposed business projects will have to set up a Committee which will be responsible for the control and management of the aid in accordance with the Procedures. Membership of this Committee is restricted to only 5 people including a representative from the Ministry of Culture, Youth and Sports.
- 5.5 The Committee mentioned in Procedure 4.4 (for youth organization at the State level), the representative from the Ministry of Culture, Youth and Sports should be the State Officer of the State concerned. As for other youth organization, the representative of the Ministry of Culture, Youth and Sports should be the District Officer or any other officer who is nominated by the State Officer concerned.

APPENDIX "C"

FORMAT FOR PROJECT REPORT (QUESTIONNAIRE)

A. INTRODUCTION:

- 1. Name of Company/Business Organization
- 2. Address and telephone number
- 3. Form of Business: Individual/Partnership/Company Limited/Co-operative
- 4. Start-up Date
- 5. Date of Registration
- 6. No of Registration
- 7. Type of Business

B. CAPITAL

- 1. Total needed capital
- 2. Amount of present capital and its resources
- 3. List of members of the company and the amount of capital invested in the form of money, equipment, or property
- 4. Dividend or profits
- 5. Amount of loan needed and its purpose; if it is for purchasing equipments, list the items and price

C. ECONOMICAL VIABILITY

1. Application

- (a) Number of applicants at present

(b) Locality of the applicant

2. Competition

- (a) Who are the competitors?
- (b) Their capability
- (c) Their market share
- (d) The market share you hope for

3. Consumers

- (a) Who are the consumers?
- (b) Their locality
- (c) Their income
- (d) What are their demands?

D. TRADE

- 1. What is your trade?
- 2. What are your goods/services?
- 3. Their price, retail/wholesale?
- 4. Sales - Cash/Credit 15/30/45 days
- 5. Sales distribution - (a) Wholesaler; and (b) Retailer
- 6. Sales Promotion
- 7. Marketing - (a) Short term; and (b) Long term

E. MANAGEMENT

- 1. Policy
- 2. Target
- 3. Structure of Organization:
Board of Directors, for example, their responsibilities and power,
number of membership, name, qualification, experience, allowance, etc.
- 4. Full-time staff
 - (a) Manager, name, qualification and experience
 - (b) Other staff, e.g. supervisor, skilled labour, semi-skilled labour,
unskilled labour, their qualification and experience
 - (c) Responsibilities of (a) and (b) above
 - (d) Other benefits

F. TECHNICAL

1. Capacity

- (a) Machinery/power, its price, make and availability of spare parts
- (b) Space for shops, offices, stores, etc.
- (c) Duration of obtaining facilities (a) and (b) above

2. Description of Products to be Processed

- (a) Raw material and its resources
- (b) Description products
- (c) Diagrams and sketches if necessary

3. Methods of Processing

Submit charts of processing in:-

- (a) its stages
- (b) Time taken

- (c) The most difficult stage
- (d) Number of workers and machinery involved

4. The Layout

G. FINANCIAL

1. Fixed Cost

(a) Land	\$
(b) Building	\$
(c) Machineries	\$
(d) Equipment	\$
(e) Tools	\$
(f) Furniture	\$
(g) Registration of Company	\$
(h) Deposit for Rental	\$
(i) Installation of Telephone	\$
(j) Other related expenses	\$

Total =====

2. Variable Cost

(a) Purchasing of goods	\$
(b) Wages, allowances and commissions	\$
(c) Rent of building, equipments etc	\$
(d) Tax	\$
(e) Installments on loans and interest	\$
(f) Insurance	\$
(g) Renewal of registration fees, licence, etc	\$
(h) Maintenance	\$
(i) Depreciation of property, machinery, equipments and tools	\$
(j) Transport	\$
(k) Other expenses	\$
(l) Estimated loan due to machinery breakdown	\$
(m) EPF, SOCSO, etc	\$
(n) Estimated bad debts	\$
(o) Unexpected expenses	\$

Total =====

3. Total of Fixed & Variable Costs \$

H. INCOME

1. Monthly Income Statement
2. Period of breakeven point
3. Estimated Cash Flow Statement
4. Statement of Profit and Loss Account
5. Balance Sheet

NOTE

1. This format acts as a guide in making a study of any business project/industry which has been planned and in preparing a Study Report of the project or the project paper.
2. This format is subject to changes according to the type of business planned.
3. A project report following this format is very important and useful and is needed in applying for a loan from bank or others and is to be considered as a guide in managing the proposed business.

EDP Trainers Mini Workshop
1-6 June 1976, Manila, Philippines
Country Paper - IDB, Sri Lanka

I. Background Information

Small-scale industrial development requires steady inflow of entrepreneurs and skilled personnel at all levels. While the present educational system in Sri Lanka is adequate to cater to the ~~latter's~~ requirements, for the small industry, the requirements are more than mere technical expertise or financial management for which skilled personnel are necessary for its development. And what is needed is a steady crop of entrepreneurs who are willing to risk and dare. Since the small-scale industrial sector is almost entirely based on private entrepreneurship, its viability would therefore depend on the ability of the country to produce large number of entrepreneurs imbued with right attitudes. A well planned programme is therefore necessary, to induce the right type of attitudes into the young people so as to make them good entrepreneurs.

At present in Sri Lanka, three institutions are trying to meet the needs for the development of entrepreneurship; one is the National Institute of Management (NIM), second the Academy of Administration Studies, and third, the IDB.

The NIM which is also an institution functioning under the Ministry of Industries as the IDB conducts training programmes, or those tailor-made to specific corporations or industries as supplement to their normal training programmes. The format of these courses emphasize the practical orientation with the use of modern devices such as case studies, project work, readings, etc. There are also part time courses in business management for those who hold management positions in industry; Consultancy assignments are also undertaken to explain at depth, particular facets of the industry.

The Academy of Administrative Studies which functions directly under the Ministry of Public Administration is primarily meant to train Administrative Officers at various stages of their career. While these programmes emphasize public administration, attempts are being made to expose public officials to the problems of industrial management, particularly since the public sector which is largely manned by the government officials forms a significant sector of the industry; and the policy of the government is that it should expand its role along with the private sector. The academy also offers special courses to those in local government and private institutions

Country Paper presented by A.M.A. Abeysinghe of Sri Lanka.

so as to make them better aware of the environment under which the public administration has to operate.

The IDB as the primary agency for the growth of small scale industry, also conducts training programmes, Workshops, seminars etc. for the benefit of small-scale industries. These are in various areas such as management and financial control (Workshop practice, Electroplating, Drawing office practice, electronic) industry practice, etc. In addition to this, short-term training programmes are also provided in rubber goods manufacturing industry, Water colours, Hand made paper, Sugar Cane processing and essential oil.

The NIM programmes are mainly geared to large-scale sector while the Academy of Administration Studies is more concerned with administration rather than management. It is only the IDB that is making an attempt to meet the need of the small scale industry; but so far it offers courses of limited technical content. These are indeed valuable but are no substitute for the overall problems of the development of entrepreneurship.

2. Country experience in Entrepreneurship Development Programme

(A) Promotion of indigenous entrepreneurs and enterprises; Government Policies and Incentives -

As per the views expressed by IDB representatives at the ENTRETECH Workshop in Kuala Lumpur last year IDB is presently making arrangements to launch Entrepreneurship Development Programmes throughout the country and the arrangements are being finalised with the Regional Managers of the Districts to select personnel to be trained in this aspect. Basically this scheme will take the form of developing indigenous entrepreneurs in certain trades which have proven technology and where indigenous craftsmanship and training facilities are available. The present Government lays special emphasis in these programmes as it helps develop rural unemployed population to take up to venture in areas which are considered considerably undeveloped from the point of view of industrialisation. The particular incentives that are being worked out for this scheme includes industry loans, training, industrial housing at the Mini Industrial Estates and other supporting extension services that are necessary to generate the required facilities during the growth period of industrial ventures. The IDB in collaboration with the state sector Banks is working out a scheme of specialised group for these entrepreneurs as a major assistance without the conventional security norms.

(B) Identification and Selection of Entrepreneurs and Types of Projects -

IDB has so far worked out 17 small-scale industry model projects to be undertaken by interested investors and these will form the starting point of the proposed Entrepreneurship Development Programme. In the selection of these model reports particular care and importance has been given to local raw materials and indigenous technology associated with locally fabricated machinery so that no time is wasted in preparing the ground work for the setting up of these projects. The type of projects are within the range of individual proprietorship so that the trainees will be able to manage these units on their own with limited assistance with the sponsoring organizations.

(C) Training and Development -

The training of skills necessary to manage these programmes will be coordinated by the IDB. The vocational training division of the Labour Department, the National Institute of Management, the Rural Development Department and the Voluntary Organizations specialised in training of skills, will render their assistance to this programme at the invitation of the IDB. The Management Development Unit of the IDB itself will form an important nucleus in drawing up programmes for training and in the conduct of training itself. Expertise with regard to developing entrepreneurship will also be obtained from TECHNONET Participating Organizations and from the SIET Institute Hyderabad. The course component is still under preparation and will be ready by about mid June 1978.

(D) Supporting Services -

The Extension Services Division of the IDB in association with the Marketing Division, the Planning Unit and the Engineering Services unit and also the Documentation and Publications Unit, will draw up the programme of assistance required both for the entrepreneur development scheme. The outside agencies that are involved in technology transfer, laboratory services and vocational training will be invited to participate in this effort.

3. Specific Recommendations

(a) E.D.P. is undoubtedly the very important aspect in promoting small scale industry in a country like Sri Lanka where the rate of unemployed is growing practically in every area. The programme

itself calls for a high degree of coordination and active participation of a number of bodies in order to make this effort a success. Finally the EDP will be tried out in a few selected regional areas of the IDB which are under the administrative purview of the Regional Managers with a view to obtaining the feedback from these officers to the successful implementation of this programme throughout the country.

The IDB greatly solicits the assistance and help of the TECHNUNET and the P. Organizations in determining the particular areas for EDP and projects to be undertaken during the first phase of the programme so that no major breakdowns will occur, in implementing them with the resources available to the IDB. As was pointed out (at the TC 4 in Jakarta) an attempt will be made to obtain trainer personnel from the SIET Institute Hyderabad under the auspices of the TECHNUNET ASIA. We very much welcome the decisions arrived at the ENTRECHT Workshop in Kuala Lumpur to conduct a few training programmes within the TECHNUNET P.Os basically to identify areas for EDP and devise a common syllabus of training both at regional and local level to be carried out by the P. Organizations interested in EDP. Since industrial extension has become one of the key areas of the IDB, EDP can be tried out successfully with the help of officials who have already undergone training in industrial extension.

A Country Paper by Miss Prani Obhasanond
and Mr Vim Roonggrout of DIP Thailand

CONTENTS

I	<u>BACKGROUND INFORMATION (LOCAL)</u>	Page
	1. National Objectives and/or Rationale for the Development of Indigenous Entrepreneurs and Industries.	1
	2. Organizations Involved in Entrepreneurship Development Programs (EDPs) and Linkages.	2
II	<u>COUNTRY EXPERIENCES IN ENTREPRENEURSHIP PROGRAMS</u>	
	1. Promotion of Indigenous Entrepreneurs and Enterprises; Government Policies and Incentives.	3
	2. Identification and Selection of Entrepreneurs and Types of Projects.	7
	3. Training and Development; Course Components and Timetable.	12
	4. Supporting Services and Assistance; Market- ing, Technical, Financial, Others; Technology Transfer.	19
III	<u>SPECIFIC RECOMMENDATION</u>	
	1. For Action in HDP.	26
	2. For Collaboration among TECHNOnET POs and for Consideration of Workshop.	27

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1. BACKGROUND INFORMATION

1.1. National Objectives and/or Rationale for the Development of Indigenous Entrepreneurs and Industries.

The period of the National Economic and Social Development Decade has been a very significant one in the planning and development of the economy of Thailand. Thailand's First Five-Year Plan was introduced in 1961, and the Fourth Five Year Plan started in 1977. Being in international terms, a relatively low productive agricultural economy, it has been the board objective of the Government to encourage growth in the non-agricultural sectors, and in the industrial sector in particular, while at the same time continuing to be the dominant part of our economy, in terms of both employment and share of GDP for many years to come.

During the period of the First to the Third Five-Year Plan, there was a significant increase in the level of unemployment, reaching an annual average of about 3.5 - 5% of the total labor force. It is generally true that the standard of living is very much lower in the rural than in the urban areas of Thailand. Therefore, the efforts to create new jobs in harmony with the increase in the country's labors force are essential. Thailand also experienced chronic trad deficit problem and the problem of balance of payment in some years - problems which had to be attacked for the country's economic stability.

In terms of industrial development, the Government has endeavoured to provide adequate infrastructure facilities and an attractive investment climate, and has sought to stimulate and encourage the private sector. The national objectives and its achievement for the development of industries have been clearly evident in the First to the Third Five-Year plan: industrial investment expanded at a higher rate than the rate of investment in other sectors. The industrialization objectives during the First to the Second Plan periods accorded high priority to the development of import substitution industries. During the Third Plan, priority was shifted to export-oriented industries which contri-

buted to the growth of income in the industrial sector at a higher rate than those of other economic sectors. In addition industrialization in the past has brought about an increase in industrial employment from 6 percent to 16 percent of total employment. Furthermore, the share of industrial product in total export earnings increased from 15 percent in 1970 to 21 percent in 1974.

1.2 Organizations Involved in Entrepreneurship Development Programs and Linkages.

In this connection, various Government agencies and private organizations are involved directly or indirectly in the promotion of industries as well as in entrepreneurship development programmes. The major sources are:

1. The Board of Investment which grants special benefits to selected industrial investors under the Industrial Promotion Acts.
2. The Industrial Finance Corporation of Thailand formed to grant loans to industrial investors.
3. The Small Industries Finance Office, to fulfill the acute need of supply loans to small scale industry.
4. Industrial Estate Authority which provides factory premises infrastructure and other industrial facilities.
5. The Industrial Service Institute which gives technical assistance to small scale industry.
6. The Management Development and Productivity Centre which provides training and consultancy Services.
7. The Applied Scientific Research Corporation of Thailand which provides scientific research.

2. COUNTRY EXPERIENCES IN ENTREPRENEURSHIP DEVELOPMENT PROGRAMS

2.1 Promotion of Indigenous Entrepreneurs and Enterprises; Government

Acceleration of industrial development has been an objective of the Fourth Five-Year Plan (1977-1981) in order to achieve more rapidly the structural change in the economy and the sector, and to utilize greater supplies of local raw materials. To achieve this objective, the policy of the government is:

1. To accelerate the rate of industrialization.
2. To promote further industrial investment by following the promotional policies of the Industrial Promotion Acts and to design any other measures which will stimulate industries beneficial to the national economy.
3. To promote total industries as basic sources of demand for agricultural products.
4. To disperse industries to the less developed area of the country.
5. To generate more employment opportunities.
6. To promote export industries and those import substitution industries which utilize local raw materials and labor.
7. To promote small-scale import substitution industries which utilize indigenous raw materials and local labor resources to meet domestic demand.

As a result, most of the industrialization taking place in and around Bangkok has led to mass migration into the capital and the associated problems in the field of housing, environmental pollution, traffic congestion and disparities in income. The policy to

disperse industries to promotion zone covers the granting of promotional privileges under Promotion of Industrial Investment Acts and the giving of special reductions on the rates of electricity, water supply and other public utilities to rural industries.

Also, the growing generation of economic activity, has called for a high level of capital goods and basic industrial productions imports and this has led to a widening import-export gap. Whilst this gap has been filled by adequate foreign exchange reserves, it is the policy of the Government to bridge it on current trade basis by continuing the successful work already done in the import substitution industries, and to place special emphasis on export-oriented industries.

Looking forward to the decade ahead, therefore, the Government of Thailand will encourage and promote industries which are export oriented, using local resources, located in provinces, and labor intensive.

International trade and investment from abroad form an essential and vital part of industrial development program both-through the introduction of valuable capital and the attendant industrial know-how which is equally important. In order to encourage investment, the Government of Thailand enacted the law called the Act on Promotion of Industrial Investment in 1962. This act brought about the establishment of many medium-sized industries and some-large industries in Thailand during the past decade.

The salient features of the Act are as follows:

1. Promoted industry shall receive a guarantee that the State will not initiate any similar industrial activity and will not transfer any private industry to its ownership.

2. Promoted industry may bring alien skilled workers or experts into the country, together with their families, regardless of immigration law quota provisions.

3). Experts of the promoted industry's products shall be permitted and encouraged, unless contrary to the national interest.

4. When the BOI deems it appropriate, certain special privileges may be given to a promoted industry. They are prohibition or restriction of import of competitive product, increase of custom duty on competitive product, and in case of experts, exemption from or reduction of export duty and business tax on products of a promoted industry.

5. Exemption of import duties and business taxes on machinery, component parts and accessories, materials, tools, instruments and equipment for factory construction.

6. Exemption of income tax on profits for five years.

7. Five year exemption or partial reduction of import duty and business taxes on imported raw materials.

8. A promoted industry may freely remit foreign currency coverage, return of capital, profits interest and principal on foreign loans, royalties, and other similar necessary payments.

During the Fourth Plan considerable emphasis will be given to the improvement of the balance of trade position. As such, export earnings will have to expand at a higher rate than import payments. Policy which will be adopted include the industrial export. The attainments of increasing rate of export will help strengthen Thailand's overall balance of payments position over the Fourth Plan period. To achieve these targets, emphasis will have to be given to the expansion of industrial production for export. The provision of export incentives in the forms of tax concession and rebates is effectively organized in applying for refund on tax paid on import of materials used as inputs in the production of export products. It is the hope of the Government that the proper development of small and medium-sized industries would lead to the achievement of the above objectives.

2.2 Identification and Selection of Entrepreneurs and Types of Projects

The program of selection of entrepreneurs and types of projects is different or combined in different proportions, in each country. It depends on the interesting factors in which the development of modern small factories lies.

For Thailand, industrialization in the past did not have sufficient tools to develop entrepreneurs. All small manufacturing enterprises lacked elements or requisites for growth such as manager and worker training programs, advisory services, industrial research services, and other small industry aids as well as financing. At present, the Government policy on these matters is to establish a special organization which will have the responsibility of supervising entrepreneurship development effort. The Department of Industrial Promotion (DIP) has many agencies concerned with entrepreneurship with entrepreneurship development.

The Industrial Service Institute of the DIP provides all general information about helping new business get started by: the industrial potential in different areas, the enterprise opportunities, the new markets, providing for them to get located on industrial estates, providing information on business regulations, other legal and administrative procedures; ascertaining the technical assistance and training needed, sources of equipment and sources of raw materials, and directing the entrepreneurs to sources of such help. All of these information have been distributed to Commercial Banks, Trade Association, professional groups, merchants, graduates and all those who have an idea of what they want to manufacture and those who come from other countries. TMDPC also aims to raise the standard of management and productivity in Thailand by training all levels of management in the use of effective management methods and techniques, by carrying out short consultative assignments on specific problems.

While many types of help are being given to existing Thai business managers and many types of help are being given to entrepreneurs seeking to start new business, there apparently have not been integrated programs designed specifically to create new entrepreneurs. We have not done much on guiding the trainees' selection of products and technology, motivation training, management training before the business starts, many training and other assistance provided after the business has started.

The various assistances which have been given to new entrepreneurs and existing entrepreneurs can be briefly summed up as follows:

1. Industrial Feasibility Surveys

The importance of regional and local development in Thailand is evinced by the government's Regional and Local Development Plans in the current National Plan which states: "In the course of Thailand's economic and social development a very important aspect is the improvement and progress of each region and local community. The progress of the less developed regions will be reflected in the welfare of the whole country. The Government recognised the need for a special plan of development for the economically backward areas so that effective action can be taken during the period. Therefore the Five Year Plan includes regional and local development programs as one of its major components.

In accordance with this policy, the Department of Industrial Promotion has conducted techno-economic surveys and preparation of the reports which have been published and distributed to the interested persons. The main purpose of the surveys are: to study the present condition of the industries prevailing in the provincial areas so that plan could be formulated in the future to provide the necessary technical assistance where required, to find out what new industries could profitably be set up in these provinces and which existing industries could be expanded into economically viable units, taking into consideration local raw material and natural resources

as well as skills and financial investment capability of the people in the provinces. At present these surveys have been done in the South and some areas in North-East and North.

Besides this kind of survey the ISI (Enterprise Promotion Division) has carried out economic and feasibility studies on selected industries. The reports cover marketing analysis, present consumption, growth potential of market; production requirement, including machinery and equipment and working capital; estimated production and operating costs. Financial analysis show expected rate of return on investment. These report were distributed to public or persons who have tendency to be entrepreneurs in the future.

2. Specialist Provide "Model Schemes" for Certain Feasible Business

In Thailand, prospective entrepreneurs were typical rural folk who had little industrial experience and who could not be expected to generate a product in their own mind. Also the government policy is to decentralize industries in the rural areas. The staff of ISI provided potential entrepreneurs with "model schemes" which contained rather detailed instructions on the equipment needed to go into a particular industry, the investment required, and the instructions for setting up and operating the machinery. This scheme usually contained little marketing information. But the Enterprise Promotion Division of ISI has to check out the marketing opportunity and the possibilities of providing protective tariffs etc. for completion of entrepreneur assistance.

3. Technical Assistance

Assistance in improving and modernizing present production techniques and processes of small industries is provided through a proper channel of communication between the Institution and the industries concerned in rendering advisory and consulting service both at the institute and on the shop floor. The Extension Division of ISI, in collaboration with all other divisions, is

responsible for the constant communication between the Institute and the Industries, by seeking and maintaining the necessary personal contact between the entrepreneurs, managers and the Institute's various divisions. It is responsible for maintaining proper channels of follow-up activities after rendering advice and consulting services from all division. The divisions' own specialists in specific technologies, who are able to instigate the first contact with the entrepreneur-manager, diagnose his problem and suggest appropriate remedies and action for improving productivity and upgrading manufacturing skills.

Although the Institute has been in operation since 1964, the Institute has not made great impact in providing Technical extension service to small industries for two reasons. First, small entrepreneur industrialists are very reluctant to accept the technical assistance, both managerial and technological, provided by the staff of the Institute because they are afraid that the staff would know inside information which would be passed to their competitors and the Revenue Department for tax assessment. Secondly, the staff of the Institute are not competent to give advice in very specialized field of technology because of lack of training. For reasons mentioned above, the Institute has not been able to make a headway in providing technical extension services to industrial entrepreneurs.

2.3 Training and Development; Course Components and Timetable

Training as shaper of the entrepreneurial role is a very important tool of identifying and developing entrepreneurs. Training programs should be designed for both existing entrepreneurs and potential ones. In Thailand most courses are especially prepared for existing entrepreneurs. Training courses for motivating such persons as employees, workers, merchants, graduates and those who have the idea to be entrepreneurs are not neglected. Existing institutions in Thailand engaged in the training are as follows:

1. The Thailand Management and Productivity Center (TMDPC)

The Thailand Management and Productivity Center was established in 1961 with financial assistance from the Special

Fund of UNDP and the Thai Government's counterpart contribution. The main objective of the centre is to raise the standard of management and productivity in Thailand by training all levels of managements in the use of effective management method and techniques; by carrying out short consultative assignment on specific problems, by providing management information through publications; and by working closely with other national and international organizations that can augment these efforts. Currently, the institute's works include training activities through seminars and conferences, appreciation courses and full-length instructional program for upper, middle and lower levels of management. The level of participants attending the training courses is broken down as follows: Top managers (Managing Directors, General Manager, etc.) 6%; Senior Executives 21%; Middle Level and Junior Executives 51%; and Supervisors and Foremen 22%. The number of courses which have been conducted with the corresponding number of participants from 1975-1977 are given next page.

The subjects covered in these training courses were:

1. Organization and General Management

- Organization Development
- Secretarial System
- Effective Filing Management
- Simplifying and Improving Office Method
- Office Cost Control
- Management Techniques
- Office Management and Control

2. Accounting Management

- Project Feasibility Study
- Financial Analysis and Investment Policy
- Inventory Control
- Budgeting
- Cost Control in Industrial Enterprises
- Financial Management

3. Personnel Management

- Wage and Salary Administration
- Job Relations
- Management Techniques in Industrial Operation
- Developing Your Supervision
- Personal Management for Supervisors

4. Production Management

- Work Measurement
- Quality Control
- Job Method
- Industrial Safety
- Production Planning and Control
- Industrial Systems Engineering

5. Marketing Management

- Sales Supervision
- Salesmanship
- Sales Management
- Product Development
- Sales Promotion
- Marketing for Sales Personnel

Example of Course Component

Management Techniques

Objective: To create and develop an idea on problem solving by using new management techniques.

Outline:

- MBO Concept
- OD Concept
- Problem Solving & Decision Making
- Decision
- Marginal Costing and Breakeven Analysis
- Marketing Activities
- Communication
- Creative Thinking

2. The Industrial Service Institute (ISI)

One of the ISI functions is to train managers and owners of small industries in new management techniques applicable to small-scale industries. Presently, though, priority has been given to the training of owner manager, technicians, workers, and foreman of small-scale industries in various modern production techniques, seminars and training courses on marketing and quality control. Courses for training are especially designed to meet the requirements of industrialists. It is sad to note that managers and owners of small industries who need management training most, do not recognize the fact. They prefer to send their foremen and workers to training courses aimed at upgrading their skills and technology. Since the demand for management training course is still relatively low, the ISI at present is giving more attention to organizing training courses in modern production techniques. However, the Institute has been quite successful in providing short-term training courses to various small entrepreneurs/industrialist. Since the Institute became operational in 1969, training have been given in various fields, such as tool and die design, electroplating, heat treatment, ferrous foundry, product design and development. At present, all services rendered by the ISI are free of charge. Only in such cases where material is needed to manufacture prototype-products in the Workshop or where direct expenditures are involved for the purchase of specific tools, etc., in connection with specific consultancy work, is the entrepreneur asked to bear cost which he in all cases gladly does.

The formal training activity and design at BI are summarized as follows:

Example of Course Components

1. Mechanical Drawing and Blue-print Reading

Objective: Introduction to blue-print reading and basic mechanical drawing.

Outline: - Introduction
 - Drawing equipment and how to use them
 - Basic drawing and reading skills
 - Reading dimensional objects
 - Drawing dimensional objects
 - Sizes and measurement
 - Discussion and Summary

Duration: 15 days 13.30 - 16.30 hrs.

2. Establishing and Operating an Industry

Objective: To introduce to entrepreneurs and investors steps and procedures to be followed in order to set up a plant or factory. To give recommendation in matters pertaining to the operation of the factory from obtaining a loan to management and production techniques.

Outline: - Introduction
 - Policy and Objectives of the Board of Investment
 - Feasibility study of an investment project
 - Licensing and registration procedures
 - Applying for loan from the SIFO
 - Information on Industrial Estate
 - Plant lay-out
 - Production planning
 - Summary and discussion

Duration: 2 days 9-12 and 14 - 16.30 hrs.

3. The National Institute of Development Administrator

NIDA, established in 1960 with the assistance of the Ford Foundation, is an institute for graduate studies with university status, offering instruction in the fields of public administration, business administration, development economics and applied statistics. The School of Business Administration has, in a sense, provided facilities for post-graduate training for new and aspiring managers. However, the number of students receiving M.B.A. from this school at present, is far too small to satisfy local requirements.

2.4. Supporting Services and Assistance: Marketing Technical, Financial, Others; Technology Transfer.

Financial Assistance

Adequate access to capital is a key requirement of any small industry program. The usual sources of funds for small, privately owned industrial ventures in newly developing countries are personal savings of the proprietor and his family and borrowing from relatives and friends. Institutional financing for this class of borrower is beset with difficulties because the cost of making many small loans is greater than the cost of making one large loan and the risk on loans to small enterprises is substantial.

In general, there are two sources of credit for industrial investments, that is domestic and foreign financial institutions. The domestic financial institutions which play an active role in granting credit for industrial development are the Industrial Financial Corporation of Thailand (IFCT) the Small Industrial Finance Office (SIFO), the Bank of Thailand, Commercial banks, and private individuals.

1. Small Industries Finance Office (SIFO)

In order to make low-interest credit facilities available to industries, the government established the Small Industries Finance Office (SIFO) in 1964. It exists as a state enterprise under the supervision of the Department of Industrial Promotion. Loans are normally provided to the deserving small

industries with the maximum amount of US\$500,000 repayable within a period of three to ten years, with simple interest at 9.5 percent per annum. Financial assistance is available to eligible firms for modernization of machinery, production equipment, factory buildings and enlargement of activities in order to increase productivity and profitability.

Being a State-owned organization its funds are budgeted annually by the government and allocated to the Department of Industrial Promotion. In addition to the annual allocation of fund from the Government budget, the Small Industries Finance Office has made arrangements with the Krung Thai Bank which is a government-owned commercial bank, to deposit its fund provided by the Government on a special account. The Bank has agreed to make available counterpart fund at the ratio of 3:1 over and above the amount deposited. Under the same arrangement the SIFO undertakes to carry out the technical and economic assessments of loan applications, whereas the Bank undertakes the appraisal of security and assumes full risk for the loans granted. For screening loan applications submitted by prospective borrowers, the SIFO undertakes a technical and economic assessment of each application and submits its recommendation to the Loan Board for final decision. The Board prescribes the amount of loan and the terms of repayment and the SIFO then passes this approval to the Bank to extend loan to the borrower. Since the opening of this credit facility in 1977, more than 1,000 selected small scale enterprises, both in Bangkok area and in the provinces have received loans approximately US\$12 million.

2. The Industrial Finance Corporation of Thailand

The establishment of the Industrial Finance Corporation of Thailand (IFCT), a financial institution for rendering long-term credit facilities to prospective industrialists, is one of the many important measures taken by the Thai Government to encourage industrial development. Under the provisions of the "Industries Finance Corporation of Thailand Act, 1959", the objectives of this Corporation

are as follows:

- to assist in the establishment, expansion, or modernization of private industrial enterprises,
- to encourage the participation of private capital, both internal and external, in such enterprises,

The Corporation is empowered to provide finance in the form of loan and medium-term loans, with or without security, or by purchasing or subscribing for shares or other securities, or by acquiring any other interest, as well as to underwrite issues of shares or other securities and to guarantee loan from other private sources. Also, the Corporation does not put any restriction on the size of the firm to be eligible for its assistance, but it has set up a minimum loan limit at US\$ 500,000 with an upper limit currently standing at US\$ 1,500,000. Since its inception, IFCT has approved over 411 loan applications totalling slightly over US\$ 22,250,000.

Both the SIFO and IFCT are giving priority to industrial activities which:

- use raw materials available from agricultural and natural resources within the country.
- increase labor forces.
- promote export, thus earning foreign exchange.
- are located in rural areas thus promoting rural economic development.

Industrial Estates

One of the most important problems faced by industrialists is the exorbitant price of land in Bangkok resulting in lack of proper factory space. The Government of Thailand, therefore, established the Industrial Estate Authority of Thailand in 1972 to provide factory premises, infrastructure and other industrial facilities to small, medium, and large industries in suitable locations in Bangkok and upcountry provinces. The industrial estate is one of the most effective instruments of promotion and development. The first industrial estate that has been completely set up is Bang Chan Industrial Estate. It is located in the area of 274.5 acres at about 20 kilometers from Bangkok. The site is considered suitable for industrial operations for it is fully supplied by conveniences in physical characteristics, communications,

labor forces and community facilities. Besides, several projects are being made to set up industrial estates in the north, northeast, south and central of Thailand. Some of them are about to commence such as the Minburi Industrial Estate and Export Processing Zone covering the area of 403 acres, located 10 kilometers from Bang Chan Industrial Estate.

2.5 Market Aids

It is designed to help individual small manufacturers to collect market information regarding specific industries, to find potential distribution outlets and to assess market expectability to their products. The needs of small firms for market research in order to reveal trends in consumer demands and test the market for new product or for expanded sales of old products have to be provided. The Enterprise Promotion Section, ISI takes the lead in initiating market analysis and disseminating market information specifically useful to small firms.

Export Consultancy Service

Export business is highly complex and intricate in details. Its procedures and methods are different from those of domestic marketing. A small manufacturer has to obtain considerable assistance from specialised institutions in this field.

The Government is also giving serious consideration to ways and means of assisting and stimulating export through the collection and dissemination of foreign market information, foreign market survey, export publicity and exhibitions abroad and assistance in design and packaging. The Export Service Center, acts on these matters.

Transfer of Technology

1. The Experience of the Country in Obtaining Technological Know-how from Developed Country

The most effective ways of obtaining technological know-how from developed countries are to enter into licensing agreement with foreign companies and to encourage foreign investors to set up in the country industrial ventures, both on their own and in partnership with local entrepreneurs.

Thailand obtained industrial technology during the past decade mainly in 3 ways. The first method is through foreign investment with associated transfer of know-how and equipment. The foreign entrepreneurs have definitely brought into the country new technological and managerial know-how and in the process have trained a number of their Thai employee to operate their factories.

The second form of technology transfer is through licensing of manufacturing process by foreign pattern holders to local enterprises. Among the 1,055 Thai companies which have obtained promotion certificates from the BOI since the inception of the promotion programme, a large number obtained technological know-how for their manufacture by payment of licensing fee or royalties, either on a lump sum basis or on an agreed rate based on sales turnover. Some of the Thai industrial concerns entered into a "turn key" agreement with foreign companies which undertook to procure and install machinery and equipment, conduct test runs and provide performance guarantees for a certain period. By this agreement local personnel obtained technological know-how second handedly, and usually only during the installation of the machinery and equipment.

The setting up of joint ventures by local entrepreneurs and foreign manufacturing firms seems to be the most effective way of technological transfer. It is also to the foreign partners' benefit that these joint ventures obtain adequate return on the investment. The best and most advantageous technology and know-how is provided by the foreign partners to the ventures. Moreover, Thai personnel are sent overseas for training, especially at the foreign partners factories, so that on their return they can replace foreign technicians and thereby help to reduce operation expenses.

Other means of technology transfer, such as, flow of books, journals and other published literature or pure import of machinery and equipment are not usually very effective.

2. The Experience of the Country in the Adaptation of Foreign Know-How to Local Needs

Up to now, not much has been done in the area of adapting foreign technical know-how to local needs and conditions. In most cases foreign technology is used, in the initial period at least, as imported. Only when it is found that the imported know-how cannot

be used to the best advantage that modification to suit local operating conditions is made. For newly established industrial plants, it is usually left to foreign companies to choose the technology which they believe is best suited for local conditions. This happens mostly in joint ventures because the local partners in those cases have less or no experience in such undertaking.

Some government agencies exist which are searching for appropriate technology in certain specific fields. The Agricultural Engineering Division of the Rice Department has built two models of special tractors suitable for ploughing paddy fields, harvesting rice crop, and coming up with a whole series of rice farming implements. The Department of Science of the Ministry of Industry and the Applied Scientific Research Corporation of Thailand are each undertaking research projects aimed at adapting foreign technology and know-how to local requirement.

3. SPECIFIC RECOMMENDATIONS

3.1 For PO Action in EDP

1. Quality of staff is more important than their number. The experienced extension officers often resign as private companies offer higher salary. The junior staff with industrial experience are few and have narrow specialized lines. Thus a training course for extension officers should be held regularly in order to upgrade new recruited extension officers. Also, adequate salary is necessary to attract such men.

2. The ISI is concerned with the training and development of a stream of new technical officers to serve as trainers and consultants in support of the ISI's operating functions especially to small industry. In addition to providing intensive training programmes locally, the ISI should send local trainers to receive overseas training relating to the development of small industry, or at least training courses for trainers should be organized.

3. The programs to identify potential entrepreneurs and train them to get ready for starting enterprises should be conducted by ISI in the rural area.

4. Course development and preparation for training should include programs in which experienced businessmen are invited as instructors on certain subjects in order to keep up with the real business world.

5. Equal importance is the achievement of close coordination among institutions involved in rendering technical, managerial and financial aids for existing and potential entrepreneurs.

6. In order to promote interfirm cooperation, meetings of the entrepreneurs of the same trade were organized, so that they could exchange opinions with each other, become acquainted with new ideas and discuss ways of solving their common difficulties.

7. ISI should have a joint program to develop entrepreneurs through vocational institutions.

3.2 For collaboration among TECHNUNET POs and for Consideration of Workshop

1. It would be very useful to have an exchange of contents and evaluation of entrepreneurship training program, and if possible, for observers from POs countries to have a chance of participating in motivation training courses in successful organizations.

2. TECHNUNET should circulate methods and procedures of successful entrepreneurship development in other countries such as the projects of Brazil and Japan and some researches on small and medium industries with special emphasis on job creation from East-West Center.

3. It would be of great help if TECHNUNET arrange entrepreneurship experts from POs' successful organizations to work on short term consultancies to set programs for developing entrepreneurs.

ENTREPRENEURSHIP DEVELOPMENT: THE PHILIPPINE EXPERIENCE*

Background

In developing countries several interventions are needed to solve the problem of economic and socio-cultural stagnation. A fact that has been brought to fore during the Development Decade has been the recognition of the development and promotion of small and medium industries as a strategy for growth.

While large scale industry fosters industrialization, the role of small industry is vital, especially in stimulating the process of change at the grass roots level. This sector serves a newly industrializing country not only by its output of goods but also by functioning as a seedbed of entrepreneurial and managerial talents. Small industries generally offer the most promising means of promoting entrepreneurship among people from different walks of life especially those with limited financial resources and very little technical and managerial experience. Thus, small industries are effective means for establishing a wide base for rapid industrialization.

Whatever strategy of economic growth a developing country follows, the fact remains that development does not occur automatically. In the final analysis, it occurs mainly on account of constant striving of human agencies that are responsive to business incentives and motivation. In industrial and economic parlance, this responsiveness of human agencies has been termed as "entrepreneurship."

Entrepreneurship has long been recognized as the driving force behind economic development. Without it land, labor, capital and technology remain practically useless. It is often not the shortage of resources but the lack of ability and determination to put them to productive use that may retard the economic progress of a developing country.

*. Country paper presented by Rudolfo O. Sumicad and Serenidad F. Lavador, Deputy Director and Chairman, Training Department, respectively of University of the Philippines Institute for Small-Scale Industries, at the EDP Trainers' Workshop held at Manila, Philippines on June 1-6, 1978 under the auspices of Technonet Asia.

The need and significance of entrepreneurial skill in the development of developing countries has been aptly described in the ILO's report on "The Economic Background of Social Policy including Problems of Industrialization." It stated that:

"Among the principal factors which have favored or retarded the growth of modern industries in Asia, the most important so far is doubtless the general lack of enterprise. Men of enterprise ready and able to respond to market opportunities have been scarce in all Asiatic countries."

In cognizance of this, the Philippines in the seventies focused attention on an economic sector it has formerly overlooked. The period saw the emergence of the small entrepreneur from a position of virtual anonymity to one of prominence as "the backbone of the economy." (In the Philippines the entrepreneur is associated fundamentally with the small-scale industry as the frame of reference. Thus, when one speaks of an entrepreneur, he often has in mind the owner-manager of an enterprise employing more than five and less than 100 workers and having total assets not less than ₱100,000 and not exceeding ₱1,000,000).

National Initiatives

For the first time, the promotion of small and medium-scale industries was cited in the national development plan (FY 1971-1974) as one of the eight priorities in industrial development. No less than President Marcos gave the pride of place to the role of small industries in development when, addressing a group of small entrepreneurs in 1972, he declared:

"No sector of our economy holds greater promise than the sector made up of small and medium industries and therefore draws from the largest segment of our entrepreneurs, not to mention a cross section of our people."

"On that score alone, small and medium industries may well provide one of the answers to economic development. For, certainly, from this small beginning, the bigger achievement will derive."

To substantiate this presidential pronouncement, the government started mobilizing all its available resources to provide incentives, and, in general, create a kind of atmosphere conducive to small industry growth and development.

Thus, in one presidential move, government agencies concerned were mobilized to work together to assist small and medium-scale entrepreneurs.

The private sector - the major industry and trade groups and chambers - in turn, responded by setting up small business development units and programs.

Where in the past assistance to small-scale industries was fragmented, sporadic and inadequate because undertaken independently by a number of agencies, and in some cases, overlapping, the small industry development program in the last few years has aimed for a coordinated, integrated, comprehensive and total approach to the problem of the development of the sector. Thus, when the Department of Industry was created by virtue of a Presidential Decree, it was charged with the task, among others, of encouraging the establishment, growth and expansion of medium and small-scale industries particularly in the rural areas through effective assistance and guidance in the manufacture of the industrial products concerned.

The Commission is the organization that is responsible for integrating the functions and policies of its member-agencies for financial, technical, marketing and purchasing and promotional programs for small and medium industries.

The membership of the Commission is composed of the following government agencies.

1. Department of Industry (DI)
2. Department of Trade (DT)
3. Department of Local Government and Community Development (DLGCD)
4. Design Center Philippines (DCF)
5. Development Bank of the Philippines (DBP)
6. Development Academy of the Philippines (DAP)
7. National Science Development Board (NSDB)
8. National Economic and Development Authority (NEDA)
9. University of the Philippines Institute for Small-Scale Industries (UP ISSI)
10. Food Terminal, Inc. (FTI)
11. National Manpower and Youth Council (NMYC)
12. Central Bank of the Philippines (CB)

The Commission is organized along four functional committees, namely: Finance, Technological, Marketing and Training Assistance Committees.

The Executive Committee is composed of representatives from each of the twelve member-agencies. It coordinates and integrates the policies, programs and projects of its member-agencies for technological, financial, marketing, training and promotional assistance to small and medium industries. The four functional committees are composed of representatives from each of the member-agencies whose functions coincide with that of the specific committee.

As of late, the member-agencies are re-grouped forming functional working teams in accordance with a revised development program, to wit:

1. Project Development
2. Entrepreneurial Training
3. Financing Assistance
4. Consultancy Services
5. Regional Project Promotion
6. Private Sector Investment and Expertise Participation

Entrepreneurial Identification and Selection

To increase the probability of success of entrepreneurial development programs, the first step undertaken is to identify the entrepreneur who is interested and has the capability in establishing and operating the project or projects which are given priority in the area. Thus, the local governments, with technical support from the University of the Philippines Institute for Small-Scale Industries (UP ISSI) conducts provincial economic surveys to properly identify viable small and medium industry projects. In some instances, more detailed surveys of specific cities and towns have also been conducted.

As part of the research in this project, the Department of Industry, primarily through the Board of Investments and the National Manpower and Youth Council (NMYC) also provide some of the information requirements. Training of technicians to conduct these surveys are being conducted by the Development Academy of the Philippines (DAF) and the UP ISSI, while consultancy and assistance are being provided by UP ISSI.

A priori, there are some personal characteristics which appear to be imperative for successful entrepreneurial performance. An individual who possesses these characteristics can be considered a potential entrepreneur and thus is a "desirable" receiver or beneficiary of the development program. To maximize the impact or the success probability of the development scheme, the individual so identified shall have to be isolated (from the ordinary one who lacks the "potentials") and be given the other inputs of the development program.

Thus, one of the components of the Entrepreneurship Development Program (EDP) being conducted by the UP ISSI is the selection of training participants. Potential entrepreneurs who eventually participate in the training are identified and selected through the use of a carefully designed selection scheme.

The general criteria for selection are specific or definite business/industry to be organized and established; strong desire to organize/manage own business; enough financial resources to be used as equity capital.

Application forms and questionnaires are used as instruments in gathering economic data concerning the prospective participant. The data gathered are later analyzed to determine the acceptability of the applicant on the basis of age, relatedness of profession and work experience to business plan, type and feasibility of business plan, and his credibility and determination, among others. Personal interviews which probe into the person's history, family background and other entrepreneurial attempts and actions are conducted. The interview is also aimed at obtaining insights into the person's motivations for being an entrepreneur.

The major determinant of an individual's entrepreneurial potential is his personality profile which, in this case, is obtained from psychological tests and measures administered during the selection process. Hypothetically, the traits considered necessary for entrepreneurial success are: risk-taking, organizational ability, innovativeness/boldness, perseverance and a certain IQ level. To tap these traits, the psychological tests and measures used are: Furdue Non-Language Test, Raven's Standard Progressive Matrices, Choice Dilemma Questionnaire, Test of Self-Esteem and Enriquez's Multi-Dimensional Filipino Personality Scale (Panukat ng Ugaling Pilipino).

The data gathered from the questionnaires, the interviews and the psychological tests are evaluated and scored. The results determines whether an applicant is qualified to participate in the program.

Entrepreneurial Training and Development

The Entrepreneurship Development Program (EDP)

One of the more widely accepted strategies for increasing entrepreneurial supply is training. As one social scientist stated: "Entrepreneurs can be created and stimulated although at a reasonable cost."

Recognizing this in the light of the country's dearth of entrepreneurial talent, the Philippines incorporated training as one of the tools in the program for developing entrepreneurship.

As an initial concrete step, the Entrepreneurship Development Program (EDP) was launched in 1973 to provide the thrust for an accelerated national economic growth by developing entrepreneurial activities particularly in the rural areas.

The EDP was designed by the UP ISSI and implemented in conjunction with other member-agencies of the CSMI, notably NMYC and DBP.

The training program starts from the identification and selection of potential entrepreneurs up to the provision of post-training assistance to the graduates in the form of marketing, technical and managerial support.

The program curriculum consists of four modules, as follows:

- a) Motivation Training - This is aimed at providing the trainees with the psychological preparation to develop in them the proper behavior and mental attitude towards business undertakings.
- b) Management Skills Training - For the entrepreneur, it is one thing to start a business and to survive the field is another. It is therefore essential for him to be equipped with management and technical know-how to enable him to run his enterprise effectively and efficiently. Thus, this module is aimed at bringing about higher levels of productivity and ultimately, increase in productivity.

- c) Feasibility Study and Project Preparation - Upon joining the program, the trainee has a business idea or project in mind. In actualizing this idea, he needs the fundamental know-how in determining its viability. In the first place, one has to be sure of the feasibility of his venture before he commits his resources on it. Secondly, and perhaps this is the more immediate reason, is that evidence of the viability of a project is a basic requirement for loan purposes.

In this module, therefore, the trainee is given guidelines with regards to opportunity identification and project selection and preparation of the feasibility study itself: its market, technical and financial aspects.

- d) Entrepreneurship: Philippine Setting - In this portion, the trainee is made to understand the environment where he operates so he can relate the environmental development with his business. This is in recognition of the fact that an entrepreneur does not operate in a vacuum and that entrepreneurial growth is the result of an integrated process involving all the economic, cultural, social and political sectors of a society, including its business structures.

Throughout the sessions, discussions revolve on entrepreneurship and the realities of the existing business environment. Topics discussed include the evolution of entrepreneurship in the Philippines, the legal aspects of Philippine business and forms and sources of assistance for new and expanding enterprises. Aside from professionals in the field who are invited to lead the discussions, successful entrepreneurs are also requested to relate their "success stories."

To familiarize the trainees with the government's role in developing their entrepreneurial capabilities - the incentives and assistance that are available to them - a forum with the CSMI members is held towards the end of the course.

A corollary to entrepreneurial promotion is skills development. Since the lack of skilled personnel is considered a major deterrent in the development of small-scale industries there is today a program of massive, nationwide build-up of skills. To help provide the manpower component of small-scale industries, the NMYC has set up ten regional

manpower training centers in key regions of the country to form the nucleus of a national manpower training network. These centers will train youths free of charge in basic skills.

The Entrepreneurship Development in General Education (EDGE)

Centering on curriculum development in secondary schools, EDGE is a project of the UP ISSI under the CSMI work program. Its primary objectives are:

- a) To stimulate a greater predisposition to entrepreneurship;
- b) To enhance the awareness and application of the community's resources, needs and values; and
- c) To familiarize the students with occupational and other skills that may be instrumental to entrepreneurship.

Through this project, the curriculum is envisioned to be entrepreneurially oriented through:

1. Action projects and activities which will expose students to community problems, needs and resources and stimulate disposition to entrepreneurship and community development;
2. Hands-on learning, where the students will be encouraged and supported to undertake small entrepreneurial activities. They will practice the rudiments of management and technical skills like accounting, bookkeeping and production planning necessary for such ventures;
3. Focusing on business venture aspects and characteristics in the industrial arts and home economics subjects;
4. Promotion of dialogues between students and businessmen.

A workshop on EDGE has been conducted and participated in by teachers, school administrators, motivation training consultants and officers from the Department of Education and Culture. Manual of teaching guides for the integration of entrepreneurship-oriented studies into the curriculum came out as a result of the workshop. Leyte Research and Development High School is the pilot school for the project.

Entrepreneurship Development Course in the Collegiate Level

Similarly with the EDGE program, entrepreneurially-oriented courses are now being offered in the colleges and universities. Courses on entrepreneurship and enterprise development are now included in the graduate program curriculum of several schools in Manila such as Pamantasan ng Lungsod ng Maynila, Polytechnic University of the Philippines and De La Salle University, among others.

Supportive Programs

It is an accepted fact that the intrinsic circumstances alone do not guarantee entrepreneurial effectiveness. The success of the entrepreneur depends both on his capacities and attitudes and the institutional framework within which he operates. An individual adequately stimulated to venture into business needs external support. He needs institutional reinforcement in the task of combining the "factors of production" into a tangible undertaking.

In view of this, various programs in support of the entrepreneur are being implemented both by the government and the private sector.

1. Financing Program

A most important aspect in developing entrepreneurship is direct financing assistance to small and medium industry projects.

The Development Bank of the Philippines (DBF) provides major financing assistance under its Countryside Development Program for small and medium industry projects in rural areas and in export-oriented activities. For small and medium industries, the DBF offers loans on terms more favorable than those given to large-scale industries. The DBF scheme offers more liberal collateral loan values of 90% on titled real estate and improvements thereon and 80% on chattel. Higher collateral loan values are given in depressed areas. The debt/equity ratio is 85:15.

For collateral-deficient but deserving small and medium industry projects, the Industrial Guarantee and Loan Fund (IGLF) provides funds through a loan guarantee scheme with liberalized terms. Loan projects submitted for consideration are evaluated by an IGLF Review Committee composed of

representatives from the NEDA, UP ISSI, the Central Bank and the Department of Industry. The Guarantee scheme covers from an automatic 60% guarantee on non-collateralized loan portion up to a maximum of 80% guarantee.

2. Assistance in Marketing

The inadequacy of marketing facilities open to small entrepreneurs could be traced to the concentration of the market in the Greater Manila area. This situation has tended to link our industries to the rest of the world rather than to the other regions of the country for their industries' supply of materials.

To provide more marketing channels particularly for those located in the countryside, the Department of Trade has set up trade assistance centers in the country's eleven regions.

Specifically, these centers offer the following services to small enterprises:

1. Market information along lines of trade opportunities, price trends, raw materials supplies, location of markets/buyers/traders, etc.
2. Business counselling, including information on and analysis of relevant government regulations and procedures, business incentives, etc.
3. Market research and surveys covering trade potentials
4. Technical assistance
5. Direct marketing assistance, such as the establishment of trade contacts, sponsorship of local fairs and exposition, warehouse accommodations, etc.

A simplified export process which would further exploit the foreign exchange earning potential of small enterprises has been introduced chiefly through the Philippine International Trading Corporation which, though no longer a member of CSMI, is still involved in its activities on a consultation basis.

On the other hand, the Food Terminal Inc. provides storage facilities. It has set up several branches in strategic centers all over the country in order to assist small businessmen in marketing their produce.

3. The Medium and Small-Scale Industries Coordinated Action Program (MASICAP)

A project under the Department of Industry, MASICAP extends assistance to proponents of small and medium industries in organizing their projects into bankable propositions within the existing financial system. It has more than 150 field personnel formed into about fifty teams distributed all over the country. The services offered by MASICAP teams cover project feasibility study preparation, loan applications, bank negotiations and follow-ups.

4. The Small Business Advisory Centers (SBAC)

As a supplement to Project MASICAP, the Department of Industry has organized Small Business Advisory Centers (SBAC's) which offer post-loan assistance to MASICAP assisted projects, as well as to other enterprises. It provides managerial and technical consultancy services to small business establishments to improve their productivity, efficiency and profitability.

5. Adaptive Technology Studies and Extension Services

Through its member-agencies, the CSMI promotes adaptive technology through the expansion of assistance for technology through the expansion of assistance for technology selection, productivity improvement and innovation, quality control and standardization. The National Science Development Board (NSDB), particularly through the National Institute of Science and Technology (NIST) and the UP ISSI are directly involved in these activities, the latter having one of the most modern laboratory facilities on low-cost automation and adaptive technology. Moreover, the UP ISSI is linked nationwide and internationally with some fifty organizations of industrial information and technology through its technological and extension services.

6. Product Development Project

This involves design education and promotion, product design, and packaging and graphic design assistance. The chief agency which deals with this type of assistance is the Design Center Philippines (DCP).

Private Sector Involvement

There is no doubt that the establishment, development and proliferation of modern and productive small firms largely rests on the risk-taking, enterprise and initiative of private business and industry. Furthermore, small industry associations can be effective instruments for the voluntary regulation of the activities of small industries and the sector's orderly development and modernization.

Towards this end, therefore, the private sector responded by way of organizing and establishing various programs relevant to entrepreneurial development.

1. The Philippine Chamber of Industries

The membership in the Philippine Chamber of Industries is thrown open to nationals of the country and nearly 500 have become members as of 1975, out of which only ten percent represents small-scale industries while the rest belongs to the larger units. In order to look after the interest of small units as well as to assist small industries, free consultancy services are being extended to members whenever sought or requested.

2. The Filipino Chamber of Small Business and Industry

The Filipino Chamber of Small Business and Industry accepts only natural-born citizens of the country as its members. Membership is extended to manufacturers, trade and service units in the small-scale industry sector. Out of the membership of about 40 in 1975, only 30 percent represents the manufacturing side while the rest belong to the trade and service group. This organization does not receive any financial assistance from the national government for its activities. Furthermore, the representatives of this Chamber are not associated with important bodies who influence government decisions. Nevertheless, this

organization has successfully worked for the passage of important measures for the development of small-scale industries, taking inspiration from the small business act in the United States.

3. The Chamber of Commerce of the Philippines

The oldest trade organization in the country, the Chamber of Commerce of the Philippines has for its members both industrial and commercial firms. It also has a separate unit to look after small-scale industries, plus a number of branches all over the country. It has recently been active in the small business sector and has established in 1975 a Small Business Foundation to assist this sector of the economy. It has linked its operations and assistance programs with the CSMI and its member-agencies.

4. The Ateneo Bureau of Small Business

The Ateneo Bureau of Small Business conducts various training courses, seminars and technical studies in the field of medium and small-scale businesses and industries. Being a private institution, its activities have to be self-supporting or funded by grants.

5. Economic Development Foundation, Inc.

The Economic Development Foundation, Inc. is a private, non-stock, non-profit and non-political service organization established to assist private industries by providing technical assistance in improving their productivity. The Foundation also identifies, helps develop and promote new investment projects vital to further growth. Along this line, research and information services are being undertaken in order to provide the bases for business and investment decisions. Training services are also being undertaken by the Foundation. It has recently focused part of its attention to assisting small and medium industries.

6. The Philippine Business for Social Progress

The Philippine Business for Social Progress (PBSD) is a non-profit service organization supported by donations from business firms. The objectives of PBSD are to carry out social development organizations and by enlarging the

body of knowledge about social development through applied research in social development techniques and methods. It undertakes programs in small-scale industries development, cooperatives development, and manpower development.

7. The Small Enterprise Research and Development Foundation (SERDEF)

The Small Enterprise Research and Development Foundation is a private, non-profit, non-stock foundation duly registered with the Securities and Exchange Commission.

It is principally an institution of the private sector that will fund research and other projects for the promotion and development of small enterprises.

EDF Impact: Some Significant Indicators

In its initial years of operation, the CSMI has made some progress in its various programs of small-industry development particularly in the rural areas. At this stage, however, the economic impact of these accomplishments are not easily measurable as these programs are still young. A system of effectively evaluating activities involved in the promotion and development of the small and medium industries has not yet evolved.

Nevertheless, several of the programs may be considered successful from the quantitative point of view - number of projects assisted, loans granted, persons trained, etc. Among others, the programs on training and technical assistance have produced success indicators not only in quantitative, but also in qualitative terms.

The UP ISSI-NMYC-DBF Entrepreneurship Development Program (EDP)

Although the EDF is young and therefore has yet to fully demonstrate its utility for the individual entrepreneur, and consequently, for the community where he is a member, evidences had shown that some measure of success has been won. A study analyzing the impact of thirteen training programs conducted between 1973 and 1975 has validated the hypothesis that training would make a difference in the performance of participants with respect to economic criteria and contribution to the community's well-being.

The first phase of the evaluative study covered the first six EDF's conducted in five regions of the country consisting of 106 graduates. It resulted into the following findings from which the effectiveness of the training program can be gleaned.

1. The number of business being managed by the graduates of the EDP increased from 78 before EDP training to 136 after EDP training. The rate of increase is an amazing success of 79 percent.
2. Most of the businesses set up after the EDF were manufacturing and agricultural concerns. This shift in activity is well in keeping with the objectives for launching EDP, that is, to bring economic benefits to the community not only in terms of development generated by new enterprises but also in terms of usage of indigenous raw materials.
3. The businesses run by graduates have been able to generate employment for at least 3,577 individuals.
4. Despite the fact that EDP graduates were predominantly inexperienced in business (they obtained degrees or were trained in lines other than business) and did not come from families with a tradition of entrepreneurial acumen, they proved successful in their chosen careers. The training itself, therefore, is deemed instrumental in the making of entrepreneurs as evidenced from the finding that the non-entrepreneurial participants cited that their exposure to EDF had motivated them to turn into independent businessmen.

The analysis, however, revealed additional areas of concern which call for continuous study and research on the development of private entrepreneurship in the country.

The Medium and Small Industries Assisted Action Program (MASICAF)

Over the past three years since MASICAF was launched, a total of 3,561 projects from all over the country have been assisted by the MASICAF teams. Of these projects, 2,650 have been accepted by banks for financing evaluation and 1,409 have been approved by banks.

As of March, 1977, a total of 1,145 projects have been actually implemented with loan funds released.

The SBAC Program

Although it is generally viewed that for an effective cost/benefit analysis it is necessary to wait three years so that SBAC recommendations will have been in use long enough, the initial findings of the World Bank Mission which conducted an initial evaluation of the program in 1977 are indicative of a certain measure of success.

The study revealed the following findings:

From their inception in July, 1975, up to March 31, 1977, SBAC's have served 549 clients, which is a satisfactory number from the standpoint of the initial investment of manpower and money.

The quality of the consulting work which has been done generally is good. In most cases, the counselor identified the problem(s), made a correct analysis, and made good recommendations.

The reports generally were well organized; only a few deficient reports were found. The level of implementation of SBAC recommendations (a good indicator of client acceptance) was 55.7% and almost 20% of the balance of cases which had been concluded were in the process of being implemented. Some recommendations were still under consideration by the clients, but only 2.9% of the clients for which major cases had been undertaken and concluded had rejected the SBAC work. This is an excellent rate of acceptance especially for a young, comparatively inexperienced staff. It is one of the best early indicators of a successful management consultancy program.

The clients visited by the World Bank Mission rated the SBAC work good to excellent. About 78% of these clients rate the SBAC's performance "fair to good"; about 5% have adjudged their work to be "poor"; opinion of the remaining 16% could not be ascertained.

The clients, in general, understood the recommendations and in most cases had applied them with only minor modification. The SBAC counselors had established very good communication with their clients. The mission did not adjudge some of the engineering recommendations which had been made by the center to be satisfactory; but it was interesting to note where

these failure existed that the clients had applied other SBAC recommendations with success, and that these clients were looking to SBAC for future help.

Areas of Concern

Fledgling as they are, entrepreneurship development programs within the country have received sufficient attention as part of the over-all efforts to launch and eventually institutionalize development tasks toward increasing the supply of entrepreneurs and upgrading their performance.

The government's seriousness of purpose to promote and develop small and medium industries is evident in the following latest development:

1. The continuous and intensified infrastructure program in the urban and rural areas.
2. The creation of a favorable business climate through the imposition of strict import controls to provide incentives for local manufacturers specially in projects using indigenous materials.
3. Restructuring of the system of protection to local industries through a revision of the tariff and customs code.

To be sure, the national endeavor for the development of small entrepreneurs still has room for improvement. Some of the areas of concern needing immediate attention are:

There is a need for effective coordination and integration of the country's various programs for motivating and developing entrepreneurship.

Presently, the body of knowledge in Philippine entrepreneurship is still wanting. Researches, therefore, on indigenous entrepreneurship are "musts" if EDP's were to be relevant, valid and meaningful.

Specifically, the following areas need priority attention and consideration:

1. Identification of the entrepreneur including the opportunities available to him.

Corollary to the research in this area must be the development of a working system or process of identifying such entrepreneurial opportunities.

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2. Assessment of entrepreneurial performance, with emphasis on success and failure factors affecting such endeavors.
 3. Measurement of the validity and relevance of entrepreneurship development programs, specifically training, with the view of continuously improving such programs.
 4. Development and building up of literature on Filipino entrepreneurship which can serve as materials for entrepreneurial training courses.
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